

**UNITED STATES DISTRICT COURT**

MIDDLE DISTRICT OF ALABAMA  
OFFICE OF THE CLERK  
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MONTGOMERY, ALABAMA 36101-0711

DEBRA P. HACKETT, CLERK

TELEPHONE (334) 954-3600

May 7, 2008

**NOTICE OF CORRECTION**

**From: Clerk's Office**

**Case Style: Charles Morrow vs. Flowers Foods, Inc., et al**

**Case Number: 3:07cv617-MHT**

**Pleading : #113 Brief Memorandum and Support of Its Motion to Compel**

**Notice of Correction is being filed this date to attach redacted copies of exhibits C, D, G& H to the brief referenced above. The exhibits were filed on 5/6/08 as attachments to the referenced pleading. The exhibits contained some of the parties personal information in their financial records.**

**The redacted copies of the exhibits are attached to this notice.**

## **EXHIBIT C**

1 IN THE UNITED STATES DISTRICT COURT  
2 FOR THE MIDDLE DISTRICT OF ALABAMA  
3 EASTERN DIVISION  
4

5 CASE NUMBER: 3:07-CV-617-MHT

6 CHARLES MORROW, ET AL.,

7 Plaintiffs,

8 vs.

9 FLOWERS FOODS, INC., ET AL.,

10 Defendants.

11

12 S T I P U L A T I O N

13 IT IS STIPULATED AND AGREED by and

14 between the parties through their respective

15 counsel, that the video deposition of

16 Michael Smith may be taken before Sara

17 Mahler, CCR, at the Bank of Wedowee, at 3500

18 Highway 431, Roanoke, Alabama 36274, on the

19 24th day of April, 2008.

20

21 DEPOSITION OF MICHAEL SMITH

22

23

1 understanding?

2 A. Yes. And then I had my own.

3 Q. What was the name of your own  
4 accountant?

5 A. Alex Walton, Lex Walton.

6 Q. Does the name Frank Jones ring  
7 a bell in connection with another accountant  
8 that you had?

9 A. Ain't that the one through  
10 Flowers?

11 Q. I'm asking you, do you recall  
12 that name?

13 A. I can't --.

14 Q. You can't recall the name --

15 A. Huh-uh.

16 Q. -- of any other accountant?  
17 What records did you provide  
18 Mr. Walton in connection with your  
19 distributorship?

20 A. Just receipts that I -- and  
21 showed him the bills, weekly bills, that  
22 Flowers send.

23 Q. Was that just the front page



1 of the weekly bills?

2 A. Yes.

3 Q. Did you ever give Mr. Walton  
4 the additional sheets from the weekly  
5 bills --

6 A. No.

7 Q. -- from Flowers Opelika?

8 Did Mr. Walton keep the  
9 documents that you gave to him or did he  
10 return them to you?

11 A. Returned to me.

12 Q. Did Mr. Walton prepare your  
13 tax returns for you?

14 A. Yes.

15 Q. Did Mr. Walton do any other  
16 work for you other than prepare your tax  
17 returns?

18 A. No.

19 Q. He prepared no financial  
20 statements for you?

21 A. No.

22 Q. Did another accountant prepare  
23 financial statements for you in connection

1 with your distributorship?

2 A. When you say financial

3 records, what do you mean?

4 Q. Well, a record of your  
5 distributorship's profits and losses, if  
6 any.

7 A. No.

8 Q. You don't recall any  
9 accountant --

10 A. Huh-uh.

11 Q. -- preparing anything like  
12 that for you?

13 A. Just the one that Flowers that  
14 where they send that quarterly sheet.

15 Q. And that quarterly sheet would  
16 show your profit and your losses from your  
17 business; is that correct?

18 A. Yeah. It had first quarter,  
19 second, third, fourth.

20 Q. Now, Mr. Smith, you filed tax  
21 returns during the time period that you were  
22 a Flowers Opelika distributor; is that  
23 correct?

1 A. Yes.

2 Q. And you reviewed those tax  
3 returns before they were filed; is that  
4 correct? You looked over them to see if  
5 they were accurate; is that correct?

6 A. Yeah.

7 Q. To the best of your knowledge,  
8 was the information in the tax returns that  
9 you filed during the time that you were a  
10 Flowers Opelika distributor accurate,  
11 truthful, and complete?

12 A. Yes.

13 Q. And those are the tax returns  
14 that you provided to Mr. Davis, in your  
15 understanding, is in turn he produced those  
16 to us; is that correct?

17 A. Yes.

18 (Whereupon, Defendant's  
19 Exhibit 1 was marked for  
20 identification.)

21 Q. Mr. Smith, you've been handed  
22 what's been marked for identification as  
23 Defendant's Exhibit 1. I'd like for you to

1 look through that, for the Record it has

2 Bates numbers SMI 000410 through 447.

3 And take all the time you

4 need, Mr. Smith, to look through that

5 document and tell me if you can identify it.

6 A. (Witness complies.) Yes.

7 Q. Can you identify this

8 document?

9 A. These are my tax returns.

10 Q. These are your tax returns

11 federal, state, Georgia --

12 A. Yes

13 Q. -- and Alabama for 2004; is

14 that correct?

15 A. Yes.

16 Q. And if you'd look at the first

17 page, Bates number Smith 410, 000410, it

18 appears to be a letter to you from Alexander

19 G. Walton; is that correct?

20 A. Yes.

21 Q. And you received this letter

22 with the enclosures from Mr. Walton?

23 A. Yes.

1 Q. And the first line there says  
2 the original should be signed at the bottom  
3 of page two?

4 A. Yes.

5 Q. Did you do that?

6 A. If it says so, I did.

7 Q. And then you sent the original  
8 to the Internal Revenue Service; is that  
9 correct?

10 A. Yes.

11 Q. And these, what we have here  
12 as Defendant's Exhibit 1, are just copies of  
13 the original that you filed with the  
14 Internal Revenue Service --

15 A. Yes.

16 Q. -- and the state revenue  
17 agencies; is that correct?

18 A. Yes.

19 Q. So you signed these  
20 documents -- First of all, your federal tax  
21 return is page 415. I'm referring down at  
22 the bottom of the page, right-hand corner  
23 these little numbers, 415?

1 A. Uh-huh.

2 Q. Catch up with me. You signed  
3 this federal tax return under penalties of  
4 perjury, I declare that I examined this  
5 return and accompanying schedules and  
6 statements, and to the best of my knowledge  
7 they are true, correct, and complete; is  
8 that correct?

9 A. Yes.

10 Q. So you filed this return under  
11 penalty of perjury just as you are  
12 testifying here today; correct?

13 A. Yes.

14 Q. And you did likewise sign the  
15 Alabama Individual Income Tax Return under  
16 penalty of perjury?

17 A. Yes.

18 Q. And you signed the Georgia  
19 Department of Revenue Tax Return under  
20 penalty of perjury as well?

21 A. Yes.

22 Q. Let's go to page 414, which is  
23 the first page of your U.S. Individual

1 Income Tax Return; is that correct?

2 A. 416.

3 Q. 414, I'm sorry.

4 A. Got it.

5 Q. First of all, it indicates

6 that Martha Smith, parent, is a dependent;

7 is that correct?

8 A. Yes, I think so.

9 Q. And so you provide support for  
10 your mother; is that accurate?

11 A. She lives there. I'm the  
12 household.

13 Q. All right. Now, on line seven  
14 under income, it indicates wages of five  
15 hundred and fifty-nine dollars. Is that  
16 accurate?

17 A. Sounds about right.

18 Q. And what was the source of  
19 your wage income in 2004?

20 A. What I come off the bread as I  
21 sold.

22 Q. Well, would that not be line  
23 twelve, business income of thirty thousand,

1 seven hundred and seventy-nine dollars?

2 A. I think so.

3 Q. So do you know what the five  
4 hundred and fifty-nine dollars was?

5 A. Not offhand.

6 Q. Okay. Let's go to the next  
7 page, page 415. At the bottom of -- toward  
8 the bottom of the page, next to the sign  
9 here, it says your occupation, and you've  
10 indicated salesman; is that accurate?

11 A. Yes.

12 Q. All right. Then let's turn to  
13 the next page, page 416, profit or loss from  
14 business, sole proprietorship. You've  
15 represented here to the IRS that you owned a  
16 business, and this was your net profit from  
17 it. Is that a correct characterization?

18 A. Which line are you on?

19 Q. The entire page, page 416.

20 A. Okay.

21 Q. Is that correct?

22 A. Yes.

23 Q. And the principle -- under A



1 it says the principal business or profession

2 is bread salesman; is that accurate?

3 A. Yes.

4 Q. And in part one under gross

5 receipts or sales, you've got sixty-four

6 thousand, three hundred twenty dollars. Is

7 that an accurate statement of your gross

8 receipts from your customers?

9 A. Yes.

10 Q. And then line five, you've got

11 a gross profit of sixty-four thousand, three

12 hundred and twenty-two dollars. Is that an

13 accurate statement of your gross profit of

14 your business from sales to your customers?

15 A. Yes.

16 Q. And then under part two, we've

17 got the expenses listed here, or most of the

18 expenses, in connection with running your

19 business; is that correct?

20 A. Yes.

21 Q. And this business was your

22 distributorship of Flowers Opelika; correct?

23 A. Yes.

1 Q. And line nine you've got car  
2 and truck expenses of ten thousand, four  
3 hundred and seventy-eight dollars; is that  
4 correct?

5 A. Yes.

6 Q. And those were incurred in  
7 connection with your business of running a  
8 distributorship?

9 A. Yes.

10 Q. And that's the Flowers Baking  
11 Company of Opelika distributorship; correct?

12 A. Yes.

13 Q. What was the nature of those  
14 car and truck expenses?

15 A. Fuel, upkeep.

16 Q. Anything else?

17 A. Fuel, upkeep, insurance on it.

18 Q. All right. Well, line fifteen  
19 has got insurance of one thousand, nine  
20 hundred and thirty-four dollars. Would that  
21 be the vehicle insurance?

22 A. Insurance and health.

23 Q. It says insurance other than

1 health, line fifteen.

2 A. I suppose so.

3 Q. So this would be, to your  
4 understanding, the vehicle insurance for the  
5 vehicle you used in --

6 A. Yes.

7 Q. -- running your business, the  
8 distributorship --

9 A. Yes.

10 Q. -- with Flowers of Opelika?

11 A. Yes.

12 Q. And then you've got interest  
13 other of five thousand, two hundred and  
14 sixty-seven dollars; is that correct?

15 A. Yes.

16 Q. Would that be interest  
17 payments in connection with your purchase of  
18 the distributorship business from Flowers  
19 Baking Company of Opelika?

20 A. Yes.

21 Q. Then on line eighteen you have  
22 office expenses that you incurred in  
23 connection with your distributorship

1 business; is that correct?

2 A. Yes.

3 Q. Of four hundred and three  
4 dollars?

5 A. Yes.

6 Q. Tell me about those office  
7 expenses.

8 A. I bought a safe so I could  
9 keep my money in it and calculator and  
10 papers.

11 Q. Where did you keep your safe?

12 A. It's in my bedroom.

13 Q. And the money that you kept in  
14 your safe, was that from collecting cash  
15 from cash account customers of yours?

16 A. Yes.

17 Q. And how much -- During 2004,  
18 on a weekly basis, how much cash did you  
19 typically collect from your cash account  
20 customers?

21 A. It varied.

22 Q. What was the range, if you  
23 recall?

1           A.     I think about eleven hundred,  
2 I'm not sure.

3           Q.     About eleven hundred dollars a  
4 week in cash --

5           A.     Yes.

6           Q.     -- from cash accounts?

7                   Was that the same in 2005,  
8 2006, you were picking up about eleven  
9 hundred dollars a week from cash customers?

10          A.     Not really.

11          Q.     What do you recall the typical  
12 cash collection in 2005 to be from your  
13 customers as a distributor?

14          A.     It was all about the same.  
15 Just about eleven hundred.

16          Q.     I understand it varies a  
17 little bit --

18          A.     Yeah.

19          Q.     -- week to week. But in 2004,  
20 2005, and 2006, as a Flowers Opelika  
21 distributor, in connection with your  
22 business you were collecting about eleven  
23 hundred dollars a week --

1 A. Yes.

2 Q. -- from your cash account  
3 customers?

4 A. Yeah.

5 Q. And because of the -- That's a  
6 fairly good sized chunk of money. Because  
7 of that you bought a safe to keep the cash?

8 A. Yes.

9 Q. Any other office expenses that  
10 are involved in this four hundred three  
11 dollars?

12 A. I got a filing cabinet to keep  
13 my papers in and my tax stuff.

14 Q. And, again, everything in that  
15 filing cabinet has been given to Mr. Davis;  
16 is that correct?

17 A. Yes.

18 Q. And since you became a  
19 plaintiff or a party in this lawsuit, you've  
20 thrown nothing away that was in that file  
21 cabinet; is that correct?

22 A. No.

23 Q. After you first spoke to

1 Mr. Davis, did you throw any documents

2 away --

3 A. No.

4 Q. -- that relate to this

5 distributorship of yours?

6 A. No.

7 Q. All right. Let's go back to

8 page 416 of Defendant's Exhibit 1. We've

9 got on line twenty, rent or lease in

10 connection with vehicles, seven thousand,

11 two hundred and forty-six dollars. Is that

12 the lease for your vehicle?

13 A. Yes.

14 Q. And that's the vehicle you

15 used in your business to distribute and

16 sell --

17 A. Bread.

18 Q. -- product to customers?

19 A. Yes.

20 Q. And you also have under line

21 20-B other business property, one thousand,

22 three hundred and seventy-eight dollar

23 entry. What was that, if you recall?

1 A. I couldn't recall right now.

2 Q. But in connection with your  
3 business, as a Flowers Opelika distributor,  
4 you incurred four hundred and seventy-five  
5 dollars worth of repairs and maintenance  
6 costs; is that correct?

7 A. Yes.

8 Q. Next line, twenty-two, you've  
9 got supplies, one thousand, sixty dollars  
10 that you incurred in your distributorship  
11 business; is that correct?

12 A. Yes.

13 Q. And what supplies did you  
14 purchase that cost one thousand sixty  
15 dollars in connection with your  
16 distributorship business?

17 A. Office supply or supplies for  
18 the truck.

19 Q. I'm just trying to find out  
20 what this one thousand sixty dollars refers  
21 to, if you know?

22 A. Office supplies and I bought  
23 stuff for the truck, oil, stuff like that.



1 Q. What office supplies did you  
2 buy, Mr. Smith?

3 A. Tablets when I need them,  
4 basically ink pens. Most of it is where I  
5 bought stuff for the truck.

6 Q. What stuff do you recall  
7 buying for the truck?

8 A. Oil. And I think I bought a  
9 set of tires for it.

10 Q. Can you recall any other  
11 supplies that you bought for your  
12 distributorship --

13 A. Not offhand.

14 Q. -- business in 2004?

15 A. Not offhand. I'd have to look  
16 on receipts.

17 Q. And are those receipts  
18 documents that you provided to Mr. Davis?

19 A. Yes.

20 Q. Then down at the bottom here,  
21 line twenty-seven, you've got five thousand,  
22 three hundred and two dollars in other  
23 expenses; correct?

1 A. Yes.

2 Q. And those were incurred in  
3 connection with your distributorship  
4 business?

5 A. Yes.

6 Q. And then the total expenses,  
7 line twenty-eight, thirty-three thousand,  
8 five hundred and forty-three dollars in  
9 total expenses in running your  
10 distributorship business; is that correct?

11 A. Yes.

12 Q. And then your net profit,  
13 taking your gross income of sixty-four  
14 thousand, three hundred and twenty-two  
15 dollars and subtracting your total expenses  
16 of thirty-three thousand, five hundred and  
17 forty-three dollars, your net profit was  
18 thirty thousand, seven hundred and  
19 seventy-nine dollars from your  
20 distributorship business; is that correct?

21 A. Yes.

22 Q. Let's turn to the next page,  
23 417, Mr. Smith.

1 A. (Witness complies.)

2 Q. And this has got some  
3 information that would appear about these  
4 additional expenses. On part four, lines  
5 forty-three and forty-four, could you  
6 explain for me what that means?

7 A. When I was doing pull-ups.

8 Q. What are pull-ups?

9 A. Where I go back and stock the  
10 shelves in my only personal vehicle.

11 Q. What was your personal  
12 vehicle?

13 A. My pickup truck.

14 Q. So these are business miles in  
15 connection with your distributorship that  
16 you drove in your pickup truck?

17 A. Yes.

18 Q. And then on part five you've  
19 got other expenses, accounting, two hundred  
20 and twenty dollars is that correct?

21 A. That's my accountant.

22 Q. That's your accountant who  
23 prepared this tax return? And that was

1 incurred in connection with your

2 distributorship business?

3 A. Yes.

4 Q. You've got administration

5 costs or expenses of four hundred and ninety

6 dollars in connection with your

7 distributorship business; is that correct?

8 A. Yes.

9 Q. What were those?

10 A. I think it was paying to

11 Flowers' accounting, I think.

12 Q. But you're not sure?

13 A. Not sure.

14 Q. And the amortization, is that

15 the depreciation of the asset that you

16 purchased from Flowers Opelika, the right to

17 distribute branded product within a defined

18 geographic territory?

19 A. I think so.

20 Q. And miscellaneous expenses are

21 indicated to be three hundred and

22 seventy-seven dollars in connection with

23 your distributorship; is that correct?

1 A. Yes.

2 Q. Because it was your business;

3 correct?

4 A. Yes.

5 Q. And then you've got a

6 telephone expense of seven hundred and sixty

7 dollars?

8 A. That's my cell phone for the

9 year.

10 Q. And that was incurred in

11 connection -- that expense, seven hundred

12 sixty dollars for your telephone, is that a

13 cell phone?

14 A. Yes.

15 Q. That cell phone expense of

16 seven hundred and sixty dollars for 2004 was

17 incurred in connection with your

18 distributorship business; correct?

19 A. Yes.

20 Q. Why did you need a cell phone

21 for your distributorship business,

22 Mr. Smith?

23 A. So I can have stops call me if

1 they need me or I could call in.

2 Q. You'd call the stops?

3 A. I can call -- Yes, if

4 something was wrong.

5 Q. So you would call your

6 customers at times to see if they needed

7 anything; is that correct?

8 A. No. If I was broke down, like

9 I was one morning, I called them and told

10 them I was late.

11 Q. And the customer -- your

12 customers could call you on your cell phone

13 if need be?

14 A. Yes.

15 Q. So you gave each of your

16 customers your cell phone number; is that

17 correct?

18 A. Some of them, not all of them.

19 Q. Not all of them.

20 And the reason you gave some

21 customers your cell phone number was that if

22 they needed you to provide additional

23 product --

1 A. They could call me.

2 Q. -- they could call you, and  
3 then you could come sell it to them; is that  
4 correct?

5 A. Right. Yes, sir.

6 Q. And then you've got uniforms  
7 listed as an expense of your distributorship  
8 business of ninety-nine dollars; is that  
9 correct?

10 A. Yes.

11 Q. What uniforms did you have in  
12 2004?

13 A. Those shirts and a hat.

14 Q. What are those shirts?

15 A. Flowers Bakery or Nature's  
16 Own.

17 Q. And what was the hat?

18 A. I think it was a Nature's Own  
19 hat.

20 Q. And that was your choice to  
21 buy those shirts and hat to wear them as a  
22 Flowers distributor?

23 A. Yes.

1 Q. What pants did you typically  
2 wear as a Flowers distributor?

3 A. My own.

4 Q. Just wear jeans?

5 A. Khakies.

6 Q. Khakies?

7 A. Yes.

8 Q. Did you wear shorts in the  
9 summer when it was hot?

10 A. Yes.

11 Q. But that was your choice to  
12 wear whatever you wanted to wear; correct?

13 A. Yes.

14 Q. Now, let me ask you to turn to  
15 page 424, which says 2004 Federal  
16 Depreciation Schedule. Did you find it?

17 A. Yes.

18 Q. And is your understanding that  
19 this is the depreciation for 2004 for the  
20 asset that you'd bought in connection with  
21 your distributorship?

22 A. Yes.

23 Q. And the depreciation for 2004



1 in connection with the asset that you bought  
2 from Flowers Opelika was three thousand, two  
3 hundred and fifty-six dollars; correct?

4 A. Yes.

5 Q. Next, if I could ask you to  
6 turn to page 426, which is the second page  
7 of your Alabama Income Tax Return. And it  
8 says under sign here: Under penalties of  
9 perjury, I declare that I have examined this  
10 return and accompanying schedules and  
11 statements and to the best of my knowledge  
12 and belief they are true, correct, and  
13 complete. And you signed this return;  
14 correct?

15 A. Yes.

16 Q. And under occupation, you  
17 stated to the Alabama Income Tax authorities  
18 that your occupation was salesman; correct?

19 A. Yes.

20 Q. Under penalty of perjury?

21 A. Yes.

22 Q. And then page 434, which is  
23 your Georgia Form 500, did you sign this

1 form under penalty of perjury: I declare  
2 that I have examined this return, including  
3 accompanying schedules and statements, and  
4 to the best of my knowledge and belief it is  
5 true, correct, and complete?

6 A. Yes.

7 Q. Now, let me ask you to turn  
8 your attention to page 440, it says 2004  
9 summary sheet.

10 A. Okay.

11 Q. What is this document, if you  
12 know?

13 A. I don't know.

14 Q. Is this a document you  
15 prepared or your accountant prepared or do  
16 you know?

17 A. I don't know, not offhand.

18 Q. Let's look at the next page,  
19 Mr. Smith, 441. I ask you to take a look at  
20 that and tell me if you can explain to me  
21 what this document is.

22 A. Truck repairs, truck wash,  
23 business supplies. I think it's the back of

1 one of the sheets on the checks.

2 Q. Is this page, together with  
3 page 442, the next page, a summary of  
4 various expenses that you incurred in  
5 operating --

6 A. Yes

7 Q. -- your distributorship  
8 business?

9 A. Yes.

10 Q. In 2004?

11 A. Yes.

12 (Whereupon, Defendant's  
13 Exhibit 2 was marked for  
14 identification.)

15 Q. Now, Mr. Smith, you've been  
16 handed what's been marked for identification  
17 as Defendant's Exhibit 2. And I'd ask you  
18 to review that document.

19 For the Record, it's Bates  
20 labeled SMI 000448 through SMI 000489.

21 A. Yes.

22 Q. Have you had a chance to look  
23 through this document, Mr. Smith?

1 A. I am now.

2 Q. Let me know when you finish.

3 A. Okay.

4 Q. Have you had a chance to look  
5 through Defendant's Exhibit 2?

6 A. Yes.

7 Q. And is this an accurate copy  
8 of your 2005 Federal, Alabama, and Georgia  
9 tax returns?

10 A. Yes.

11 Q. I'd like to go through this  
12 document with you as well, Mr. Smith.  
13 First, let's turn to the second page, page  
14 449, line twelve. Is it correct, as  
15 reflected in this document, that you  
16 received business income in 2005 of thirty  
17 thousand, two hundred and thirty-two dollars  
18 from your Flowers Opelika distributorship  
19 business?

20 A. Yes.

21 Q. And then on page -- the next  
22 page, 450, second page of your federal  
23 return?

1 A. Uh-huh.

2 Q. It says: Sign here under  
3 penalties of perjury. I declare that I've  
4 examined this return and accompanying  
5 schedules and statements, and to the best of  
6 my knowledge and belief, they are true,  
7 correct, and complete.

8 Did you sign this document  
9 under penalty of perjury, Mr. Smith?

10 A. Yes.

11 Q. And under your occupation, you  
12 indicated that you were a salesman; correct?

13 A. Yes.

14 Q. And then let's look at the  
15 next page, page 451, profit or loss from  
16 business, sole proprietorship. You've  
17 represented to the IRS here that you're an  
18 independent businessman and your principal  
19 business or profession is bread salesman;  
20 correct?

21 A. Yes.

22 Q. And under part one, line one,  
23 you represented to the IRS that your gross

1 receipts or sales was sixty-five thousand,  
2 three hundred and forty-six dollars in  
3 connection with your distributorship  
4 business?

5 A. Yes.

6 Q. And you've got on line four,  
7 cost of goods sold, negative twenty dollars.  
8 What is that, if you know?

9 A. I'd have to look at my  
10 receipts.

11 Q. What are those receipts that  
12 you would have to look at?

13 A. See what that was, a negative  
14 twenty dollars.

15 Q. And are those receipts  
16 included in the documents you provided to  
17 Mr. Davis?

18 A. Yes.

19 Q. And could you describe  
20 generally what those receipts would be?  
21 What would they be receipts of?

22 A. Say that one more time.

23 Q. Could you describe what type

1 of receipts those are that you would need to

2 look at?

3 A. I have my regular receipts,

4 gas, fuel, where I had to buy stuff.

5 Q. And then line five, gross

6 profit, you state as sixty-five thousand,

7 three hundred and sixty-six dollars from

8 your distributorship business; is that

9 correct?

10 A. Yes.

11 Q. And other income of three

12 hundred dollars. Do you know what the other

13 income is from your business?

14 A. No.

15 Q. Do you have any documents you

16 could refer to to tell you what that other

17 income is?

18 A. I'd have to look to see.

19 Q. But all of those documents

20 would be in the possession of your attorney,

21 Mr. Davis?

22 A. Yes.

23 Q. And then part two has expenses

1 incurred in connection with your running

2 your distributorship business; is that

3 correct?

4 A. Yes.

5 Q. And you incurred in 2005,

6 twelve thousand, one hundred and sixty-nine

7 dollars in your car and truck expenses in

8 connection with your distributorship

9 business; is that correct?

10 A. Yes.

11 Q. And line fifteen, you've

12 represented to the IRS under penalty of

13 perjury that you incurred one thousand, nine

14 hundred and eighty-four dollars in insurance

15 expenses in connection with your

16 distributorship business; correct?

17 A. Yes.

18 Q. Line 16B, you have other

19 interest of five thousand, three hundred and

20 forty-four dollars incurred in connection

21 with running your distributorship business;

22 is that correct?

23 A. Yes.



1 A. Yes.

2 Q. How about Friday, what time

3 did you --

4 A. Same as Tuesdays.

5 Q. Two to 2:30 p.m. on Fridays?

6 A. Yeah.

7 Saturdays I get through about  
8 twelve, and I'd sit and just stand around  
9 the warehouse for about an hour, and then go  
10 back and do a pull-up so I wouldn't go back  
11 so early on Saturdays.

12 Q. And how long did the pull-ups  
13 take?

14 A. It's according to how the  
15 store's selling. If they didn't sell  
16 nothing, twenty minutes; if they sold a lot,  
17 longer than that.

18 Q. So there's no real way to  
19 estimate it, it just varied?

20 A. Yeah.

21 Q. How many accounts did you do  
22 pull-ups at?

23 A. Three.

1 Q. And how many days a week did  
2 you do pull-ups?

3 A. As many times as I could.

4 Q. And you did that to increase  
5 the sales of the stores?

6 A. Yes.

7 Q. And so typical week, again  
8 with territory 2100, how many times a week  
9 did you do pull-ups at your accounts?

10 A. Like I said, six or seven  
11 times.

12 Q. So some days did you do more  
13 than one pull-up?

14 A. Huh-uh. One a day.

15 Q. You'd try to do one pull-up a  
16 day at these three accounts?

17 A. Yes.

18 Q. What were those three  
19 accounts?

20 A. Piggly Wiggly in Franklin,  
21 Piggly Wiggly in Hogansville, and Ingles.

22 Q. Those are your three largest  
23 accounts?

**SMITH**  
**DEFENDANT'S EXHIBIT**  
**1**

April 6, 2005

MICHAEL S SMITH  
1  
LAFAYETTE, AL 36862

Dear Michael,

Enclosed is your 2004 Federal Individual Income Tax Return. The original should be signed at the bottom of page two. No tax is payable with the filing of this return. There is an overpayment of \$1,226, of which \$1,226 has been applied to your 2005 estimated tax.

Mail your Federal return on or before April 15, 2005 to:

INTERNAL REVENUE SERVICE  
ATLANTA, GA 39901-0002

The contribution to your traditional IRA for 2004 is \$500. To ensure that your contribution is allowable, \$500 must be deposited to your account on or before April 15, 2005.

Enclosed is your 2004 Alabama Individual Income Tax Return. The original should be signed at the bottom of page two. As I do not file electronically, **you MUST also sign the "opt out" statement on the front of the return.** No tax is payable with the filing of this return. You will receive a refund of \$1,122.

Mail your Alabama return on or before April 15, 2005 to:

ALABAMA DEPARTMENT OF REVENUE  
P.O. BOX 154  
MONTGOMERY, AL 36135-0001

Enclosed is your 2004 Georgia Individual Income Tax Return. The original should be signed at the bottom of page two. There is a balance due of \$1,285.

Mail your Georgia return and payment voucher on or before April 15, 2005 and make your check payable to:

GEORGIA DEPARTMENT OF REVENUE  
PROCESSING CENTER  
P.O. BOX 740399  
ATLANTA, GA 30374-0399

Your 2005 estimated tax payment schedule is listed below. Mail your payments to the address shown on your estimated tax payment vouchers.

Due Date	Federal	Due Date	Georgia
4/15/05	\$ 0	4/15/05	\$ 320
6/15/05	0	6/15/05	320
9/15/05	574	9/15/05	320
1/17/06	600	1/16/06	320
	<hr/>		<hr/>
	\$ 1,174		\$ 1,280

Please be sure to call if you have any questions.

Sincerely,

Alexander G. Walton Jr.

**MICHAEL S SMITH****FEDERAL FORMS**

Form 1040	2004 U.S. Individual Income Tax Return
Form 1040-ES	Estimated Tax Payment Vouchers
Schedule C	Profit or Loss From Business
Form 5329	Additional Taxes on Retirement Plans
Form 8880	Qualified Retirement Savings Contributions Credit
	Vehicle Expense Worksheet
	Depreciation Schedules

**ALABAMA FORMS**

Form 40	2004 Alabama Individual Income Tax Return
Schedule A	Alabama Schedule A - Itemized Deductions
Schedule B & CR	Interest and Dividend Income and Schedule CR
Schedule C	Profit or Loss From Business
	Alabama Depreciation Schedules

**GEORGIA FORMS**

Form 500	2004 Georgia Individual Income Tax Return
Form 500ES	Estimated Tax Vouchers
Form 525-TV	Payment Voucher

**FEE SUMMARY**

Preparation Fee	\$	240.00
Amount Due	\$	240.00

\*\*\*All invoices for Tax Returns due upon receipt.\*\*\*

4/06/05

06:41PM

**Federal**

Payment Number	Date Due	2004 Overpayment Credit Applied	Balance Due	Check or money order number or credit card confirmation number	Amount Paid (do not include any credit card convenience fee)	Date paid
1	4/15/05	600.				
2	6/15/05	600.				
3	9/15/05	26.	574.			
4	1/17/06		600.			
5						
6						
7						
8						
<b>Total.....</b>		<b>1,226.</b>	<b>1,174.</b>			

State: Georgia**State**

Payment Number	Date Due	2004 Overpayment Credit Applied	Balance Due	Check or money order number or credit card confirmation number	Amount Paid (do not include any credit card convenience fee)	Date paid
1	4/15/05		320.			
2	6/15/05		320.			
3	9/15/05		320.			
4	1/16/06		320.			
5						
6						
7						
8						
<b>Total.....</b>			<b>1,280.</b>			

This document is for your records. Please use it to record your estimated tax payments and bring it with you for reference in the preparation of your 2005 tax return.

Use the  
IRS label.  
Otherwise,  
please print  
or type.

Presidential  
Election  
Campaign  
(See instructions.)

Your first name <b>MICHAEL T SMITH</b>		MI Last name	Your social security number
If a joint return, spouse's first name		MI	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions.		Apartment no.	▲ <b>Important!</b> ▲ You must enter your social security number(s) above.
City, town or post office. If you have a foreign address, see instructions.		State ZIP code	
<b>LAFAYETTE, AL 36862</b>			

Note: Checking 'Yes' will not change your tax or reduce your refund.  
Do you, or your spouse if filing a joint return, want \$3 to go to this fund? ☐ Yes ☒ No ☐ Yes ☐ No

### Filing Status

Check only  
one box.

- 1 ☐ Single
- 2 ☐ Married filing jointly (even if only one had income)
- 3 ☐ Married filing separately. Enter spouse's SSN above & full name here. ▶
- 4 ☒ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
- 5 ☐ Qualifying widow(er) with dependent child (see instructions)

### Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☐ Spouse.

c Dependents:	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs)	No. of children on 6c who:
(1) First name Last name				<input checked="" type="radio"/> lived with you ..... 1 <input type="radio"/> did not live with you due to divorce or separation (see instrs) ..... Dependents on 6c not entered above ..... Add numbers on lines above ..... 2

d Total number of exemptions claimed ..... 2

### Income

Attach Form(s)  
W-2 here. Also  
attach Forms  
W-2G and 1099-R  
if tax was withheld.

If you did not  
get a W-2,  
see instructions.

Enclose, but do  
not attach, any  
payment. Also,  
please use  
Form 1040-V.

7 Wages, salaries, tips, etc. Attach Form(s) W-2	7	559.
8a Taxable interest. Attach Schedule B if required.	8a	157.
b Tax-exempt interest. Do not include on line 8a.	8b	
9a Ordinary dividends. Attach Schedule B if required.	9a	3.
b Qualified divs (see instrs)	9b	3.
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions)	10	
11 Alimony received	11	
12 Business income or (loss). Attach Schedule C or C-EZ	12	30,779.
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. ▶ <input type="checkbox"/>	13	
14 Other gains or (losses). Attach Form 4797	14	
15a IRA distributions	15a	
b Taxable amount (see instrs)	15b	
16a Pensions and annuities	16a	
b Taxable amount (see instrs)	16b	43.
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18 Farm income or (loss). Attach Schedule F	18	
19 Unemployment compensation	19	
20a Social security benefits	20a	
b Taxable amount (see instrs)	20b	
21 Other income	21	
22 Add the amounts in the far right column for lines 7 through 21. This is your total income.	22	31,541.

### Adjusted Gross Income

23 Educator expenses (see instructions)	23	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25 IRA deduction (see instructions)	25	500.
26 Student loan interest deduction (see instructions)	26	
27 Tuition and fees deduction (see instructions)	27	
28 Health savings account deduction. Attach Form 8889	28	
29 Moving expenses. Attach Form 3903	29	
30 One-half of self-employment tax. Attach Schedule SE	30	
31 Self-employed health insurance deduction (see instrs)	31	
32 Self-employed SEP, SIMPLE, and qualified plans	32	
33 Penalty on early withdrawal of savings	33	17.
34a Alimony paid b Recipient's SSN. ▶	34a	
35 Add lines 23 through 34a	35	517.
36 Subtract line 35 from line 22. This is your adjusted gross income	36	31,024.



<b>Standard Deduction</b> • People who checked any box on line 38a or 38b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$4,850 Married filing jointly or Qualifying widow(er), \$9,700 Head of household, \$7,150		b If your spouse itemizes on a separate return, or you were a dual-status alien, see instructions and check here. 39 Itemized deductions (from Schedule A) or your standard deduction (see left margin) ..... 7,150.	
		40 Subtract line 39 from line 37 ..... 23,874.	
		41 If line 37 is \$107,025 or less, multiply \$3,100 by the total number of exemptions claimed on line 6d. If line 37 is over \$107,025, see the worksheet in the instructions. .... 6,200.	
		42 Taxable income. Subtract line 41 from line 40. If line 41 is more than line 40, enter -0- ..... 17,674.	
		43 Tax (see instrs). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 ..... 2,141.	
		44 Alternative minimum tax (see instructions). Attach Form 6251 ..... 0.	
		45 Add lines 43 and 44 ..... 2,141.	
		46 Foreign tax credit. Attach Form 1116 if required. .... 46.	
		47 Credit for child and dependent care expenses. Attach Form 2441 .....	
		48 Credit for the elderly or the disabled. Attach Schedule R .....	
		49 Education credits. Attach Form 8863 .....	
		50 Retirement savings contributions credit. Attach Form 8880 ..... 46.	
		51 Child tax credit (see instructions) .....	
		52 Adoption credit. Attach Form 8839 .....	
		53 Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8858 .....	
		54 Other credits. Check applicable box(es): a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Specify .....	
		55 Add lines 46 through 54. These are your total credits ..... 46.	
		56 Subtract line 55 from line 45. If line 55 is more than line 45, enter -0- ..... 2,095.	
<b>Other Taxes</b>		57 Self-employment tax. Attach Schedule SE .....	
		58 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 .....	
		59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required ..... 4.	
		60 Advance earned income credit payments from Form(s) W-2 .....	
		61 Household employment taxes. Attach Schedule H .....	
<b>Payments</b> If you have a qualifying child, attach Schedule EIC.		62 Add lines 56-61. This is your total tax ..... 2,099.	
		63 Federal income tax withheld from Forms W-2 and 1099 .....	
		64 2004 estimated tax payments and amount applied from 2003 return ..... 3,325.	
		65 a Earned income credit (EIC) .....	
		b Nontaxable combat pay election. .... ▶ 65 b	
		66 Excess social security and tier 1 RRTA tax withheld (see instructions) .....	
		67 Additional child tax credit. Attach Form 8812 .....	
		68 Amount paid with request for extension to file (see instructions) .....	
		69 Other pmts from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885 .....	
		70 Add lines 63, 64, 65a, and 66 through 69. These are your total payments ..... 3,325.	
<b>Refund</b> Direct deposit? See instructions and fill in 72b, 72c, and 72d.		71 If line 70 is more than line 62, subtract line 62 from line 70. This is the amount you overpaid ..... 1,226.	
		72 a Amount of line 71 you want refunded to you ..... 0.	
		▶ b Routing number. .... ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
		▶ d Account number. ....	
		73 Amount of line 71 you want applied to your 2005 estimated tax ..... 1,226.	
<b>Amount You Owe</b>		74 Amount you owe. Subtract line 70 from line 62. For details on how to pay, see instructions .....	
		75 Estimated tax penalty (see instructions) .....	
<b>Third Party Designee</b> Do you want to allow another person to discuss this return with the IRS (see instructions)? ..... <input checked="" type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No Designee's name ▶ Preparer Phone no. Personal identification number (PIN) ▶			
<b>Sign Here</b> Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Your signature ..... Date ..... Your occupation ..... Daytime phone number ..... SALESMAN			
Spouse's signature. If a joint return, both must sign. .... Date ..... Spouse's occupation .....			
<b>Paid Preparer's Use Only</b> Preparer's signature ▶ Alexander G. Walton Jr. Date 4/06/05 Check if self-employed <input type="checkbox"/> Firm's name (or yours if self-employed) ▶ Alexander G. Walton, Jr., CPA PC EIN ..... address, and ZIP code ..... Phone no. ....			

Department of the Treasury  
Internal Revenue Service

Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.  
Each to Form 1041 or 1041-ES. See instructions for Schedule C (Form 1040).

2004

Name of proprietor  
**MICHAEL S SMITH**

Social security number (SSN)

**A** Principal business or profession, including product or service (see instructions)  
**BREAD SALESMAN**

**B** Enter code from instructions  
722300

**C** Business name, if no separate business name, leave blank.  
**FLOWERS BAKING BREAD ROUTE**

**D** Employer ID number (EIN), if any

**E** Business address (including suite or room no.)  
City, town or post office, state, and ZIP code

**F** Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify)

**G** Did you 'materially participate' in the operation of this business during 2004? If 'No,' see instructions for limit on losses.. ☒ Yes ☐ No

**H** If you started or acquired this business during 2004, check here

**Income**

<b>1</b> Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. <input checked="" type="checkbox"/>	<b>1</b>	64,322.
<b>2</b> Returns and allowances.....	<b>2</b>	
<b>3</b> Subtract line 2 from line 1.....	<b>3</b>	64,322.
<b>4</b> Cost of goods sold (from line 42 on page 2).....	<b>4</b>	
<b>5</b> Gross profit. Subtract line 4 from line 3.....	<b>5</b>	64,322.
<b>6</b> Other income, including Federal and state gasoline or fuel tax credit or refund.....	<b>6</b>	
<b>7</b> Gross income. Add lines 5 and 6.....	<b>7</b>	64,322.

**Expenses.** Enter expenses for business use of your home only on line 30.

<b>8</b> Advertising.....	<b>8</b>		<b>19</b> Pension and profit-sharing plans.....	<b>19</b>	
<b>9</b> Car and truck expenses (see instructions).....	<b>9</b>	10,478.	<b>20</b> Rent or lease (see instructions):		
<b>10</b> Commissions and fees.....	<b>10</b>		<b>a</b> Vehicles, machinery, and equipment.....	<b>20a</b>	7,246.
<b>11</b> Contract labor (see instructions).....	<b>11</b>		<b>b</b> Other business property.....	<b>20b</b>	1,378.
<b>12</b> Depletion.....	<b>12</b>		<b>21</b> Repairs and maintenance.....	<b>21</b>	475.
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions).....	<b>13</b>		<b>22</b> Supplies (not included in Part III).....	<b>22</b>	1,060.
<b>14</b> Employee benefit programs (other than on line 19).....	<b>14</b>		<b>23</b> Taxes and licenses.....	<b>23</b>	
<b>15</b> Insurance (other than health).....	<b>15</b>	1,934.	<b>24</b> Travel, meals, and entertainment:		
<b>16</b> Interest:			<b>a</b> Travel.....	<b>24a</b>	
<b>a</b> Mortgage (paid to banks, etc).....	<b>16a</b>		<b>b</b> Meals and entertainment.....		
<b>b</b> Other.....	<b>16b</b>	5,267.	<b>c</b> Enter nondeductible amount included on line 24b (see instrs).....		
<b>17</b> Legal & professional services.....	<b>17</b>		<b>d</b> Subtract line 24c from line 24b.....	<b>24d</b>	
<b>18</b> Office expense.....	<b>18</b>	403.	<b>25</b> Utilities.....	<b>25</b>	
<b>28</b> Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.....	<b>28</b>		<b>26</b> Wages (less employment credits).....	<b>26</b>	
			<b>27</b> Other expenses (from line 48 on page 2).....	<b>27</b>	5,302.
<b>29</b> Tentative profit (loss). Subtract line 28 from line 7.....	<b>29</b>		<b>30</b> Expenses for business use of your home. Attach Form 8829.....	<b>30</b>	
<b>30</b> Expenses for business use of your home. Attach Form 8829.....	<b>30</b>		<b>31</b> Net profit or (loss). Subtract line 30 from line 29.	<b>31</b>	30,779.
<b>31</b> Net profit or (loss). Subtract line 30 from line 29.					

- If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.
- If a loss, you must go to line 32.
- 32** If you have a loss, check the box that describes your investment in this activity (see instructions).
  - If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.
  - If you checked 32b, you must attach Form 6198.

- 32a** ☐ All investment is at risk.
- 32b** ☐ Some investment is not at risk

If "Yes," attach explanation. ☐ Yes ☐ No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation. 35

36 Purchases less cost of items withdrawn for personal use. 36

37 Cost of labor. Do not include any amounts paid to yourself. 37

38 Materials and supplies. 38

39 Other costs. 39

40 Add lines 35 through 39. 40

41 Inventory at end of year. 41

42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4. 42

**Part IV Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

- 43 When did you place your vehicle in service for business purposes? (month, day, year) 1/02/02
- 44 Of the total number of miles you drove your vehicle during 2004, enter the number of miles you used your vehicle for:  
 a Business 3,371 b Commuting \_\_\_\_\_ c Other 8,129
- 45 Do you (or your spouse) have another vehicle available for personal use? ☒ Yes ☐ No
- 46 Was your vehicle available for personal use during off-duty hours? ☒ Yes ☐ No
- 47 a Do you have evidence to support your deduction? ☒ Yes ☐ No
- b If "Yes," is the evidence written? ☒ Yes ☐ No

**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

Accounting	220.
Administration	490.
Amortization	3,256.
Miscellaneous	377.
Relief Driver	100.
Telephone	760.
Uniforms	99.
48 Total other expenses. Enter here and on page 1, line 27.	48 5,302.

Department of the Treasury  
Internal Revenue Service (99)

## Additional Tax on Early Distributions (Including IRAs), and Other Tax-Favored Accounts

See separate instructions.

2004

29

Name of individual subject to additional tax. If married filing jointly, see the instructions.

Your social security number

MICHAEL S SMITH

Fill in Your Address  
Only if You Are Filing  
This Form by Itself and  
Not With Your  
Tax Return

Home address (number and street), or P.O. box if mail is not delivered to your home

Apartment number

City, town or post office

State ZIP code

If this is an amended  
return, check here

If you only owe the additional 10% tax on early distributions, you may be able to report this tax directly on Form 1040, line 59, without filing Form 5329. See the instructions for Form 1040, line 59.

## Additional Tax on Early Distributions

Complete this part if you took a taxable distribution, before you reached age 59-1/2, from a qualified retirement plan (including an IRA) or modified endowment contract (unless you are reporting this tax directly on Form 1040—see above). You also may have to complete this part to indicate that you qualify for an exception to the additional tax on early distributions or for certain Roth IRA distributions (see instructions).

1	Early distributions included in income. For Roth IRA distributions, see instructions.	1	43.
2	Early distributions included on line 1 that are not subject to the additional tax (see instructions). Enter the appropriate exception number from the instructions:	2	
3	Amount subject to additional tax. Subtract line 2 from line 1.	3	43.
4	Additional tax. Enter 10% (.10) of line 3. Include this amount on Form 1040, line 59. <b>Caution:</b> If any part of the amount on line 3 was a distribution from a SIMPLE IRA, you may have to include 25% of that amount on line 4 instead of 10% (see instructions).	4	4.

## Additional Tax on Certain Distributions From Education Accounts

Complete this part if you included an amount in income, on Form 1040, line 21, from a Coverdell education savings account (ESA) or a qualified tuition program (QTP).

5	Distributions included in income from Coverdell ESAs and QTPs.	5	
6	Distributions included on line 5 that are not subject to the additional tax (see instructions).	6	
7	Amount subject to additional tax. Subtract line 6 from line 5.	7	
8	Additional tax. Enter 10% (.10) of line 7. Include this amount on Form 1040, line 59.	8	

## Additional Tax on Excess Contributions to Traditional IRAs

Complete this part if you contributed more to your traditional IRAs for 2004 than is allowable or you had an amount on line 17 of your 2003 Form 5329.

9	Enter your excess contributions from line 16 of your 2003 Form 5329 (see instructions). If zero, go to line 15.	9	
10	If your traditional IRA contributions for 2004 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-.	10	
11	2004 traditional IRA distributions included in income (see instructions).	11	
12	2004 distributions of prior year excess contributions (see instructions).	12	
13	Add lines 10, 11, and 12.	13	
14	Prior year excess contributions. Subtract line 13 from line 9. If zero or less, enter -0-.	14	
15	Excess contributions for 2004 (see instructions).	15	
16	Total excess contributions. Add lines 14 and 15.	16	
17	Additional tax. Enter 6% (.06) of the smaller of line 16 or the value of your traditional IRAs on December 31, 2004 (including 2004 contributions made in 2005). Include this amount on Form 1040, line 59.	17	

## Additional Tax on Excess Contributions to Roth IRAs

Complete this part if you contributed more to your Roth IRAs for 2004 than is allowable or you had an amount on line 25 of your 2003 Form 5329.

18	Enter your excess contributions from line 24 of your 2003 Form 5329 (see instructions). If zero, go to line 23.	18	
19	If your Roth IRA contributions for 2004 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-.	19	
20	2004 distributions from your Roth IRAs (see instructions).	20	
21	Add lines 19 and 20.	21	
22	Prior year excess contributions. Subtract line 21 from line 18. If zero or less, enter -0-.	22	
23	Excess contributions for 2004 (see instructions).	23	
24	Total excess contributions. Add lines 22 and 23.	24	
25	Additional tax. Enter 6% (.06) of the smaller of line 24 or the value of your Roth IRAs on December 31, 2004 (including 2004 contributions made in 2005). Include this amount on Form 1040, line 59.	25	

Name(s) shown on return

MICHAEL S SMITH

Your social security number

**CAUTION:** You cannot take this credit if either of the following applies.

- The amount on Form 1040, line 37, or Form 1040A, line 22, is more than \$25,000 (\$37,500 if head of household; \$50,000 if married filing jointly).
- The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 1987, (b) is claimed as a dependent on someone else's 2004 tax return, or (c) was a student (see instructions).

	(a) You	(b) Your spouse																																																												
1 Traditional and Roth IRA contributions for 2004. Do not include rollover contributions	1 500.																																																													
2 Elective deferrals to a 401(k) or other qualified employer plan, voluntary employee contributions, and 501(c)(18)(D) plan contributions for 2004 (see instructions)	2																																																													
3 Add lines 1 and 2	3 500.																																																													
4 Certain distributions received after 2001 and before the due date (including extensions) of your 2004 tax return (see instructions). If married filing jointly, include both spouses' amounts in both columns. See instructions for an exception	4 43.																																																													
5 Subtract line 4 from line 3. If zero or less, enter -0-	5 457.																																																													
6 In each column, enter the smaller of line 5 or \$2,000	6 457.																																																													
7 Add the amounts on line 6. If zero, stop; you cannot take this credit	7	457.																																																												
8 Enter the amount from Form 1040, line 37*, or Form 1040A, line 22	8 31,024.																																																													
9 Enter the applicable decimal amount shown below:																																																														
<table border="1"> <thead> <tr> <th colspan="2">If line 8 is—</th> <th colspan="3">And your filing status is—</th> </tr> <tr> <th>Over—</th> <th>But not over—</th> <th>Married filing jointly</th> <th>Head of household</th> <th>Single, Married filing separately, or Qualifying widow(er)</th> </tr> </thead> <tbody> <tr> <td>---</td> <td>\$15,000</td> <td>.5</td> <td>.5</td> <td>.5</td> </tr> <tr> <td>\$15,000</td> <td>\$16,250</td> <td>.5</td> <td>.5</td> <td>.2</td> </tr> <tr> <td>\$16,250</td> <td>\$22,500</td> <td>.5</td> <td>.5</td> <td>.1</td> </tr> <tr> <td>\$22,500</td> <td>\$24,375</td> <td>.5</td> <td>.2</td> <td>.1</td> </tr> <tr> <td>\$24,375</td> <td>\$25,000</td> <td>.5</td> <td>.1</td> <td>.1</td> </tr> <tr> <td>\$25,000</td> <td>\$30,000</td> <td>.5</td> <td>.1</td> <td>.0</td> </tr> <tr> <td>\$30,000</td> <td>\$32,500</td> <td>.2</td> <td>.1</td> <td>.0</td> </tr> <tr> <td>\$32,500</td> <td>\$37,500</td> <td>.1</td> <td>.1</td> <td>.0</td> </tr> <tr> <td>\$37,500</td> <td>\$50,000</td> <td>.1</td> <td>.0</td> <td>.0</td> </tr> <tr> <td>\$50,000</td> <td>---</td> <td>.0</td> <td>.0</td> <td>.0</td> </tr> </tbody> </table>			If line 8 is—		And your filing status is—			Over—	But not over—	Married filing jointly	Head of household	Single, Married filing separately, or Qualifying widow(er)	---	\$15,000	.5	.5	.5	\$15,000	\$16,250	.5	.5	.2	\$16,250	\$22,500	.5	.5	.1	\$22,500	\$24,375	.5	.2	.1	\$24,375	\$25,000	.5	.1	.1	\$25,000	\$30,000	.5	.1	.0	\$30,000	\$32,500	.2	.1	.0	\$32,500	\$37,500	.1	.1	.0	\$37,500	\$50,000	.1	.0	.0	\$50,000	---	.0	.0	.0
If line 8 is—		And your filing status is—																																																												
Over—	But not over—	Married filing jointly	Head of household	Single, Married filing separately, or Qualifying widow(er)																																																										
---	\$15,000	.5	.5	.5																																																										
\$15,000	\$16,250	.5	.5	.2																																																										
\$16,250	\$22,500	.5	.5	.1																																																										
\$22,500	\$24,375	.5	.2	.1																																																										
\$24,375	\$25,000	.5	.1	.1																																																										
\$25,000	\$30,000	.5	.1	.0																																																										
\$30,000	\$32,500	.2	.1	.0																																																										
\$32,500	\$37,500	.1	.1	.0																																																										
\$37,500	\$50,000	.1	.0	.0																																																										
\$50,000	---	.0	.0	.0																																																										
Note: If line 9 is zero, stop; you cannot take this credit.																																																														
10 Multiply line 7 by line 9	10	46.																																																												
11 Enter the amount from Form 1040, line 45, or Form 1040A, line 28	11 2,141.																																																													
12 Enter the total of your credits from Form 1040, lines 46 through 49, or Form 1040A, lines 29 through 31	12																																																													
13 Subtract line 12 from line 11. If zero, stop; you cannot take this credit	13	2,141.																																																												
14 Credit for qualified retirement savings contributions. Enter the smaller of line 10 or line 13 here and on Form 1040, line 50, or Form 1040A, line 32	14	46.																																																												

\*See Publication 590 for the amount to enter if you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico.

BAA For Paperwork Reduction Act Notice, see instructions.

Form 8880 (2004)



4/06/05

06:41PM

**Wage Schedule**

<u>Taxpayer - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi- care</u>	<u>State W/H</u>	<u>Local W/H</u>
FLOWERS BAKING CO. OF OPELIKA	64,322.		2,779.	650.		
WORKSTAFF PERSONNEL OF AL LLC	393.		24.	6.	2.	
WORKSTAFF PERSONEL OF GA LLC	166.		10.	2.		
Grand Total	<u>64,881.</u>	<u>0.</u>	<u>2,813.</u>	<u>658.</u>	<u>2.</u>	<u>0.</u>

**Pension and Annuities Schedule**

<u>Taxpayer - Payer</u>	<u>Total Received</u>	<u>Taxable Amount</u>	<u>Federal W/H</u>	<u>State W/H</u>
AD[ RETORE, EMT SERVOCES	43.	43.		
Grand Total	<u>43.</u>	<u>43.</u>	<u>0.</u>	<u>0.</u>

**Form 1040, Line 8a  
Interest Income**

FARMERS &amp; MERCHANTS BANK

 Total 157.  
157.
**Form 1040, Line 9a  
Dividend Income**

WALMART, INC. ASOP

 Total 3.  
3.
**Form 1040, Line 9b  
Qualified Dividends**

WALMART, INC. ASOP

 Total 3.  
3.

## IRA Deduction Worksheet (Form 1040, Line 25)

Taxpayer

1. Were you covered by a retirement plan?  
 YES (for either if MFJ). Go to line 2.  
 NO (for both if MFJ). Skip lines 2-6.  
 Enter \$3,000 (or \$3,500 if age 50 or older)  
 on line 7. Then go to line 8. No
2. Enter the threshold for your filing status.
3. Enter the amount from Form 1040, line 22.
4. Add amounts on Form 1040, lines 23, 24, 28 - 34a,  
 and any amount entered next to line 35.
5. Subtract line 4 from line 3 (not < 0).
6. Subtract line 5 from line 2 (not < 0).
7. Multiply line 6 by 30% (or by 35% if age  
 50 or over). Round up to the next multiple  
 of \$10. If the result is more than zero and  
 less than \$200, enter \$200. If the result is  
 more than \$3,000 (or \$3,500 if age 50 or older),  
 enter \$3,000 (or \$3,500). 3,000.
8. Enter wages and other earned income,  
 minus any deductions on Form 1040,  
 lines 30 and 32. Do not reduce wages  
 by any loss from self-employment. 64,881.
- Deductible IRA Contributions:**
9. Enter IRA contributions you made, or  
 will make by April 15, 2005, for 2004. 500.
10. Enter the smallest of line 7, 8 or 9.  
 This is the most you can deduct on  
 Form 1040, line 25. 500.
- Nondeductible IRA Contributions:**
11. Subtract line 10 from the smaller of line  
 8 or line 9. Enter the part you choose to  
 make nondeductible on Form 8606, line 1. 0.

## Qualified Dividends and Capital Gain Tax Worksheet (Form 1040, Line 43)

1. Enter the amount from Form 1040, line 42
2. Enter the amount from Form 1040, line 9b
3. Are you filing Schedule D?  
☐ Yes. Enter the smaller of line 15 or 16 of Schedule D, but do not enter less than zero  
☒ No. Enter the amount from Form 1040, line 13
4. Add lines 2 and 3
5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise enter zero.
6. Subtract line 5 from line 4. If zero or less, enter zero.
7. Subtract line 6 from line 1. If zero or less, enter zero.
8. Enter the smaller of:  
 - The amount on line 1, or  
 - \$29,050 if single or married filing separately, \$58,100 if married filing jointly or qualifying widow(er), \$38,900 if head of household.
9. Is the amount on line 7 equal to or more than the amount on line 8?  
☐ YES. Skip lines 9 through 11; Go to line 12 and check the "No" box  
☒ NO. Enter the amount from line 7
10. Subtract line 9 from line 8
11. Multiply line 10 by 5% (.05)
12. Are the amounts on lines 6 and 10 the same?  
☒ YES. Skip lines 12 through 15; go to line 16  
☐ NO. Enter the smaller of line 1 or line 6
13. Enter the amount from line 10. (If line 10 is blank, enter zero.)
14. Subtract line 13 from line 12.
15. Multiply line 14 by 15% (.15)
16. Figure the tax on the amount on line 7.  
 (Use the Tax Table or Tax Computation Worksheet)
17. Add lines 11, 15, and 16
18. Figure the tax on the amount on line 1.  
 (Use the Tax Table or Tax Computation Worksheet)
19. Tax on all taxable income (including capital gain distributions). Enter the smaller of line 17 or line 18 here and on Form 1040, line 43

17,674.

3.

0.

3.

0.

3.

17,671.

17,674.

17,671.

3.

0.

2,141.

2,141.

2,141.

2,141.



**Vehicle Expenses - Schedule C  
BREAD SALESMAN**Pickup Truck

1. Date placed in service	1/02/02
2. Total mileage	11,500.
3. Business mileage	3,371.
4. Business use (divide line 3 by line 2)	0.2931

## Standard Mileage Rate:

5. Multiply line 3 by 37.5 cents (.375)	1,264.
---	--------

## Actual Expenses:

6. Gasoline, lube and oil	
7. Repairs	
8. Tires	
9. Insurance	
10. Miscellaneous	
11. Auto license (except personal property taxes)	
12. Value of employer-provided vehicle	
13. Vehicle rent or lease (less inclusion)	
14. Add lines 6 through 13	0.
15. Multiply line 14 by line 4	
16. Depreciation and section 179 deduction	
17. Add lines 15 and 16	0.

## Total Vehicle Expenses:

18. Enter line 5 or line 17	1,264.
19. Parking fees and tolls	
20. Add lines 18 and 19	1,264.

## Vehicle Expense Allocation:

21. Car and truck expenses	1,264.
22. Depreciation	
23. Vehicle rent or lease payments	
24. Add lines 21, 22, and 23	1,264.
25. Interest expense (business portion)	
26. Taxes and licenses (business portion)	
27. Personal property taxes (Schedule A)	

**MICHAEL S SMITH**

No.	Description
	Schedule C - FLOWERS BAKING BREAD ROUTE

[illegible]

Your first name & MI (if joint return, also give spouse's first name & MI) Last name		Spouse's SSN if joint return	
MICHAEL S SMITH			
Present home address (number and street or P.O. Box number)			
1			
City, town or post office		state ZIP code	
LAFAYETTE, AL		36862	
Filing Status and Exemptions Check only one box.	1	<input type="checkbox"/> \$1,500 Single	5 Name SSN Relationship Parent
	2	<input type="checkbox"/> \$3,000 Married filing joint return (even if only one spouse had income).	
	3	<input type="checkbox"/> \$1,500 Married filing separate return. Complete line 5 with spouse's name and SSN.	
	4	<input checked="" type="checkbox"/> \$3,000 Head of family (with qualifying person). (See instructions.) Complete line 5.	
Income and Adjustments	6	Wages, salaries, tips, etc. (list each employer and address separately):	
	a	WORKSTAFF PERSONNEL OF AL LLC	
	b	WORKSTAFF PERSONEL OF GA LLC	
	c		
	d		
	7	Interest and dividend income (also attach Schedule B if over \$1,500)	
	8	Other income (from page 2, Part I, line 9)	
	9	Total income. Add amounts in the income column for line 6a through line 8	
	10	Total adjustments to income (from page 2, Part II, line 8)	
	11	Adjusted gross income. Subtract line 10 from line 9	
Deductions You Must Attach page 2 of Federal Form 1040, Federal Form 1040A, page 1 of 1040EZ, or a copy of your Telefile Schedule if claiming a deduction on line 13.	12	Check box a, if you itemize deductions, & enter amount from Sch A, line 26.	
		Check box b, if you do not itemize deductions, and enter standard deduction	
		<input checked="" type="checkbox"/> a Itemized Deductions	<input type="checkbox"/> b Standard Deduction
	13	Federal tax liability deduction (see instructions)	
	14	Personal exemption (from line 1, 2, 3, or 4)	
	15	Dependent exemption (from page 2, Part III, line 2)	
	16	Total deductions. Add lines 12, 13, 14, and 15	
	17	Taxable income. Subtract line 16 from line 11	
	18	Income Tax due. Enter here and check if from <input type="checkbox"/> Form NOL-85A	
	19	Less credits from: <input checked="" type="checkbox"/> Schedule CR and/or <input type="checkbox"/> Schedule OC	
Tax Staple Form(s) W-2, W-2G, and/or 1099 here	20a	Net tax due Alabama. Subtract line 19 from line 18	
	b	Consumer Use Tax (use worksheet in the instructions)	
	21	You may make a voluntary contribution to any of the following: Alabama Election Campaign Fund, or the Neighbors Helping Neighbors Fund.	
		a AL Democratic Party	\$1 \$2 <input checked="" type="checkbox"/> none
		b AL Republican Party	\$1 \$2 <input checked="" type="checkbox"/> none
		c Neighbors Helping Neighbors	
	22	Total tax liability and voluntary contribution. Add lines 20a, 20b, 21a, 21b, and 21c	
	23	Alabama income tax withheld (from Forms W-2, W-2G, and/or 1099)	
	24	Amount paid with extension (attach Form 4868A)	
	25	2004 estimated tax payments (see instructions)	
Payments	26	Total payments. Add lines 23 through 25	
	27	If line 22 is larger than line 26, subtract line 26 from line 22, and enter AMOUNT YOU OWE. CN Place payment, along with Form 40V, loose in the mailing envelope. (FORM 40V MUST ACCOMPANY PAYMENT.) If paying by credit card do not include Form 40V and check here <input type="checkbox"/>	
AMOUNT YOU OWE	28	Estimated tax penalty. Also include on line 27 (see instructions)	
	29	If line 26 is larger than line 22, subtract line 22 from line 26, & enter amount OVERPAID.	
OVERPAID	30	Amount of line 29 to be applied to your 2005 estimated tax	
	31	You may donate all or part of your overpayment. (Enter \$1, \$5, \$10, \$25, none, or other amount in appropriate boxes)	
Donation Check-offs	a	Senior Services Trust Fund	
	b	AL Arts Development Fund	
	c	AL Nongame Wildlife Fund	
	d	Child Abuse Trust Fund	
	e	AL Veterans Program	
	f	AL Indian Children's Scholarship Fund	
	g	Penny Trust Fund	
	h	Foster Care Trust Fund	
	i	Mental Health	
	j	AL Breast and Cervical Cancer Program	
REFUND	32	Total. Add line 30 and lines 31a, b, c, d, e, f, g, h, i, j, and k	
	33	REFUNDED TO YOU. (CAUTION: You must sign this return on page 2.) Subtract line 32 from line 29. For Direct Deposit, check here <input type="checkbox"/> and complete Part V, Page 2.	

• Verify your social security number  
• Recheck your math  
• Sign return on page 2  
• Attach W-2 form(s)

Other Income (see instructions)	4a Total IRA distributions	4a	00	4b Taxable amount (see instructions)	4b	00
	5a Total pensions & annuities	5a	00	5b Taxable amount (see instructions)	5b	00
	6 Rents, royalties, partnerships, estates, trusts, etc (attach Schedule E)	6	00			00
	7 Farm income or (loss) (attach Federal Schedule F)	7	00			00
	8 Other income (state nature and source — see instructions)	8	00			00
	9 Total other income. Add lines 1 through 8. Enter here and also on page 1, line 8.	9	30,822			00
Adjustments to Income (see instructions)	1a Your IRA deduction	1a	500			00
	b Spouse's IRA deduction	1b	00			00
	2 Payments to a Keogh retirement plan and self-employment SEP deduction	2	00			00
	3 Penalty on early withdrawal of savings	3	17			00
	4 Alimony paid. Recipient's last name SSN Address	4	00			00
	5 Adoption expenses	5	00			00
	6 Moving Expenses (att Federal Form 3903) to City State ZIP	6	00			00
	7 Self-employed health insurance deduction	7	00			00
	8 Total adjustments. Add lines 1 through 7. Enter here and also on page 1, line 10.	8	517			00

Dependents  Do not include yourself or your spouse (see instructions)	1a Dependents:	(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you.	(4) Did you provide more than one-half dependent's support?
					Parent	Yes
	b Total number of dependents claimed above	1				
	2 Amount allowed. (Multiply \$300 by the total number of dependents claimed on line 1b.)	300				

General Information  All Taxpayers Must Complete This Section	1 Residency	<input checked="" type="checkbox"/> Full Year	If you were a part-year resident of AL during 2004, indicate your period of residence: Part Year From 2004 through 2004. Total months
	2 Did you file an Alabama income tax return for the year 2003?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	3 If no, state reason.		
	4 Give name and address of present employer(s):	Yours: FLOWERS BAKING CO. OF OPELIKA	
	5 Enter the Federal Adjusted Gross Income \$31,024. and Federal Taxable Income \$17,674. as reported on your 2004 Federal Individual Income Tax Return.		
	6 Do you have income which is reported on your Federal return, but not reported on your AL return (other than your state tax refund)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Direct Deposit	For Direct Deposit of your refund, complete 1, 2, and 3 below. (See instructions)		
	1 Routing Number:	2 Type:	<input type="checkbox"/> Checking <input type="checkbox"/> Savings
	3 Account Number:		

Sign Here  Keep a copy of this return for your records	<input checked="" type="checkbox"/> I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.			
	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Your signature	Date	Daytime telephone number	Your occupation
	SALESMAN			

Paid Preparer's Use Only	Preparer's signature	Alexander G. Walton Jr.	Date	4/06/05	Check if self-employed	<input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed) and address	Alexander G. Walton, Jr., CPA PC					

WHERE TO FILE FORM 40

If an addressed envelope came with your return, use it and follow the instructions on the envelope. If you do not have one, mail your return to one of the addresses below.

If you are not making a payment, mail your return to:

Alabama Department of Revenue  
P.O. Box 154  
Montgomery, Alabama 36135-0001

If you are making a payment, mail your return, Form 40V, and payment to:

Alabama Department of Revenue  
P.O. Box 2401  
Montgomery, Alabama 36140-0001

Mail only your 2004 Form 40 to one of the above addresses. Prior year returns, amended returns, and all other correspondence should be mailed to Alabama Department of Revenue, P.O. Box 327464, Montgomery, AL 36132-7464.

Name(s) as shown on Form 40		Your social security number	
MICHAEL S SMITH			
The itemized deductions you may claim for the year 2004 are similar to the itemized deductions claimed on your Federal return, however, the amounts may differ. Please see instructions before completing this schedule. <b>PART-YEAR RESIDENTS:</b> A resident of Alabama for only a part of the year should list below only those deductions actually paid while a resident of Alabama.			
<b>CAUTION: Do not include expenses reimbursed or paid by others.</b>			
<b>Medical and Dental Expenses</b> (See instructions)	1 Medical and dental expenses	1	00
	2 Enter amount from Form 40, line 11	2	00
	3 Multiply the amount on line 2 by 4% (.04). Enter the result	3	00
	4 Subtract line 3 from line 1. Enter the result. If zero or less, enter -0-	4	0 00
<b>Taxes You Paid</b> (See instructions)	5 Real estate taxes	5	428 00
	6 FICA Tax (Social Security & Medicare) and Federal Self-Employment Tax	6	3,471 00
	7 Railroad Retirement (Tier 1 only)	7	00
	8 Other taxes. (List -- include personal property taxes.) ▶ <b>Personal Property Taxes</b>	8	136 00
	9 Add the amounts on lines 5 through 8. Enter the total here	9	4,035 00
<b>Interest You Paid</b> (See instructions)	10a Home mortgage interest & points reported to you on Federal Form 1098	10a	00
	b Home mortgage int not reported to you on Fed Form 1098. (If paid to an individual, show that person's name & addr.) ▶		
<b>NOTE:</b> Personal interest is not deductible.	10b		00
	11 Points not reported to you on Form 1098	11	00
	12 Investment interest (Attach Form 4952A)	12	00
	13 Add the amounts on lines 10a through 12. Enter the total here	13	0 00
<b>Gifts to Charity</b> (See instructions)	14 Contributions by cash or check	14	25 00
	15 Other than cash or check. (You MUST attach Form 8283 if over \$500.)	15	00
	16 Carryover from prior year	16	00
	17 Add the amounts on lines 14 through 16. Enter the total here	17	25 00
<b>Casualty and Theft Loss</b> (Attach Form 4684)	18a Enter the amount from Federal Form 4684, line 16 (See instructions)	18a	00
	b Enter 10% of your adjusted gross income (Form 40, line 11)	18b	00
	c Subtract line 18b from line 18a. If zero or less, enter -0-	18c	0 00
<b>Job Expenses and Most Other Miscellaneous Deductions</b> (See instructions)	19 Unreimbursed employee expenses -- job travel, union dues, job education, etc (You MUST attach Federal Form 2106 if required. See instructions.) ▶	19	00
	20 Other expenses (investment, tax preparation, safe deposit box, etc). List type and amount ▶	20	00
	21 Add the amounts on lines 19 and 20. Enter the total	21	00
	22 Multiply the amount on Form 40, line 11 by 2% (.02). Enter the result here	22	00
	23 Subtract line 22 from line 21. Enter the result. If zero or less, enter -0-	23	0 00
<b>Other Miscellaneous Deductions</b>	24 Other (from list in instructions). List type and amount ▶	24	0 00
<b>Qualified Long-Term Care Ins Premiums</b>	25 Enter amount here	25	0 00
<b>Total Itemized Deductions</b>	26 Add the amounts on lines 4, 9, 13, 17, 18c, 23, 24, and 25. Enter the total here. Then enter on Form 40, page 1, line 12	26	4,060 00

MICHAEL S SMITH

**SCHEDULE B - Interest and Dividend Income**

If you received more than \$1500 of interest and dividend income, you must complete Schedule B.

**INTEREST INCOME.** All interest received should be itemized on Schedule B. List all interest received on bank deposits, notes, mortgages, bonds, and other evidences of indebtedness, including bonds of the United States, and any state or territory and the political subdivisions thereof. All interest received is taxable except: (a) interest on obligations of the United States or its possessions; or (b) interest on obligations of the State of Alabama or any county, municipality, or other political subdivisions thereof.

Interest on bonds of other states is subject to Alabama Income Tax. Interest from savings and loan associations is also taxable.

Enter the amount of all exempt interest in column A headed "Exempt Interest." Taxable interest should be entered in column B.

**DIVIDENDS.** All dividends including liquidating dividends received are taxable. Gain or loss on liquidating dividends should be reported on Schedule D. Dividends from savings and loan associations are taxable. Dividends from tax-option corporations (Subchapter S) are taxable when actually received.

List Payers and Amounts		A Exempt Interest	B Taxable Interest and Dividends
1 INTEREST	FARMERS & MERCHANTS BANK	00	157 00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
Subtotal		00	157 00
2 DIVIDENDS	WALMART, INC. ASOP		3 00
			00
			00
			00
			00
			00
			00
			00
			00
			00
Subtotal			3 00
3 TOTAL TAXABLE INTEREST AND DIVIDENDS. Enter here and on Form 40, page 1, line 7.....			160 00

**SCHEDULE C - Credit for Tax Paid to Other States**

This credit is available to those residents of Alabama who are being taxed by Alabama and another state (or territory of the United States) in the same tax year. The income earned in the other state must be reported on the Alabama return to claim this credit. Residents of Alabama for only a part of the year can claim this

credit only if the returns filed with Alabama and the other state cover the same periods. This credit is available for the year for which the income is taxed by the other state. If you are claiming credit for taxes paid to more than one other state, you must make a separate computation for each state.

**PLEASE** You may need to fill out the worksheet in the instructions before completing this schedule. This credit will **NOT** be allowed unless **NOTE:** you file a nonresident income tax return with the other state and attach a copy of that 2004 return to your Alabama return.

1	2004 taxable income as shown on the <u>Georgia</u> state return..... (name of state)	1	25,704 00	
2	Tax due the other state using Alabama tax rates .....	2	1,248 00	
3	Tax due the other state as shown on that state's return or Form W-2G....	3	1,285 00	
4	Tax due Alabama from Form 40, page 1, line 18.....	4	1,038 00	
5	<b>CREDIT ALLOWABLE.</b> Enter the amount from line 2, 3, 4, or the amount from the worksheet in the instructions, whichever is smallest. If you have no other credits, enter amount from line 5 to Form 40, page 1, line 19. If you have other credits, enter the amount from line 5 to Schedule OC, Part A, line 1, and complete.....			5 1,038 00



Name of proprietor <b>MICHAEL S. SMITH</b>		Social security number (SSN)
A Principal business or profession, including product or service (see instructions) <b>BREAD SALESMAN</b>		B Enter code from instructions ▶ <b>722300</b>
C Business name. If no separate business name, leave blank. <b>FLOWERS BAKING BREAD ROUTE</b>		D Employer ID number (EIN), if any
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you 'materially participate' in the operation of this business during 2004? If 'No,' see instructions for limit on losses. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2004, check here. ▶		

**Part III Income**

1 Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. ▶ <input checked="" type="checkbox"/>	1	64,322.
2 Returns and allowances.	2	
3 Subtract line 2 from line 1.	3	64,322.
4 Cost of goods sold (from line 42 on page 2).	4	
5 Gross profit. Subtract line 4 from line 3.	5	64,322.
6 Other income, including Federal and state gasoline or fuel tax credit or refund.	6	
7 Gross income. Add lines 5 and 6.	7	64,322.

**Part IV Expenses.** Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		19 Pension and profit-sharing plans.	19	
9 Car and truck expenses (see instructions).	9	10,478.	20 Rent or lease (see instructions):		
10 Commissions and fees.	10		a Vehicles, machinery, and equipment.	20a	7,246.
11 Contract labor (see instructions).	11		b Other business property.	20b	1,378.
12 Depletion.	12		21 Repairs and maintenance.	21	475.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13		22 Supplies (not included in Part III).	22	1,060.
14 Employee benefit programs (other than on line 19).	14		23 Taxes and licenses.	23	
15 Insurance (other than health).	15	1,934.	24 Travel, meals, and entertainment:		
16 Interest:			a Travel.	24a	
a Mortgage (paid to banks, etc.).	16a		b Meals and entertainment.		
b Other.	16b	5,267.	c Enter nondeductible amount included on line 24b (see instrs.).		
17 Legal & professional services.	17		d Subtract line 24c from line 24b.	24d	
18 Office expense.	18	403.	25 Utilities.	25	
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.			26 Wages (less employment credits).	26	
			27 Other expenses (from line 48 on page 2).	27	5,302.
				28	33,543.
29 Tentative profit (loss). Subtract line 28 from line 7.				29	30,779.
30 Expenses for business use of your home. Attach Form 8829.				30	
31 Net profit or (loss). Subtract line 30 from line 29.				31	30,779.

- If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.
- If a loss, you must go to line 32.
- 32 If you have a loss, check the box that describes your investment in this activity (see instructions).
- If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.
- If you checked 32b, you must attach Form 6198.

- 32a ☐ All investment is at risk.
- 32b ☐ Some investment is not at risk.

33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation. ☐ Yes ☐ No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.	42

**Part IV Information on Your Vehicle.** Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) 1/02/02

44 Of the total number of miles you drove your vehicle during 2004, enter the number of miles you used your vehicle for:  
a Business 3,371 b Commuting \_\_\_\_\_ c Other 8,129

45 Do you (or your spouse) have another vehicle available for personal use? ☒ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours? ☒ Yes ☐ No

47 a Do you have evidence to support your deduction? ☒ Yes ☐ No

b If "Yes," is the evidence written? ☒ Yes ☐ No

**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

Accounting	220.
Administration	490.
Amortization	3,256.
Miscellaneous	377.
Relief Driver	100.
Telephone	760.
Uniforms	99.
48 Total other expenses. Enter here and on page 1, line 27.	48 5,302.



4/06/05

06:41PM

## IRA Deduction Worksheet (Form 40, Part II, Line 1)

Taxpayer

1. Were you covered by a retirement plan?  
 YES (for either if MFJ). Go to line 2.  
 NO (for both if MFJ). Skip lines 2-6.  
 Enter \$3,000 (or \$3,500 if age 50 or older)  
 on line 7. Then go to line 8.

No

2. Enter the threshold for your filing status.  
 3. Enter total income (before adjustments).  
 4. Add adjustments to income (other than  
 the IRA deduction).  
 5. Subtract line 4 from line 3 (not < 0).  
 6. Subtract line 5 from line 2 (not < 0).  
 7. Multiply line 6 by 30% (or by 35% if age  
 50 or over). Round up to the next multiple  
 of \$10. If the result is more than zero and  
 less than \$200, enter \$200. If the result is  
 more than \$3,000 (or \$3,500 if age 50 or older),  
 enter \$3,000 (or \$3,500).  
 8. Enter wages and other earned income,  
 minus 1/2 S.E. tax and Keogh/SEP/SIMPLE.  
 Do not reduce wages by any loss from  
 self-employment.

3,000.

31,338.

## Deductible IRA Contributions:

9. Enter IRA contributions you made, or  
 will make by April 15, 2005, for 2004.  
 10. Enter the smallest of line 7, 8 or 9.  
 This is the most you can deduct on  
 Form 40, Part II, line 1.

500.

500.

## Nondeductible IRA Contributions:

11. Subtract line 10 from the smaller of line  
 8 or line 9. Enter the part you choose to  
 make nondeductible on Form 8606, line 1.

0.

**MICHAEL S SMITH**

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Prt.	Cur 179/ Bonus	Special Depr. Allow.	Prior 179/ Bonus/ So. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis/ Rebirth	Prior Depr.	Method	Life
-----	-------------	---------------	-----------	----------------	--------------	----------------------	----------------------------	--------------------------------------	-----------------------------	-------------------------------	----------------	--------	------

## Amortization

	8/02/03				S/L	15
I Flowers Route #2100	48,840				48,840	1,354
Total Amortization	48,840	0	0	0	48,840	1,354
Total Depreciation	0	0	0	0	0	0
Grand Total Amortization	48,840	0	0	0	48,840	1,354
Grand Total Depreciation	0	0	0	0	0	0

**Georgia Form 500** (Rev. 6/04)  
 Individual Income Tax Return  
 Georgia Department of Revenue  
**2004** (Approved software version)

☒ Check if you DO NOT want a booklet next year

DEL ☐ EXT ☐

Fiscal Year Beginning

Fiscal Year Ending

**1 Your First Name**

**Initial**

**Your Social Security Number**

**MICHAEL**

**S**

**Your Last Name**

**Suffix**

**SMITH**

**Spouse's First Name**

**Initial**

**Spouse's Social Security Number**

**Spouse's Last Name**

**Suffix**

DEPARTMENT USE ONLY

**2 Address** (Check if Address has Changed) (Use 2nd address line for Apt, Suite, Unit or Bldg number)

**3 City** **LAFAYETTE**

**State** **AL**

**Zip Code** **36862**

GAIA0112L 10/18/04

**Country** (If Foreign)

**4 Enter your Residency Status with the appropriate number.** ..... **4** **3**  
**1 Full-Year Resident 2 Part-Year Resident from** ..... **to** ..... **3 Nonresident**  
 Part-Year Residents and Nonresidents must omit Lines 9 thru 14 and use Schedule 3 of Form 500, page 4

**5 Enter Filing Status with appropriate letter** (Must be the same status used on your Federal Return) ..... **5** **D**  
**A Single C Married filing separate** (Spouse's social security number must be entered above)  
**B Married filing joint D Head of Household or Qualifying Widow(er)**

**6 Number of exemptions** (Check appropriate box(es) and enter total in 6c.) **6a Yourself** ☒ **6b Spouse** **6c 1**

**Dependents —** (If you have more than 3 dependents, attach a list of additional dependents)

**First Name**

**Last Name**

**Dependent's SSN**

**Relationship to You**  
**PARENT**

**7a Number of Dependents** (DO NOT include yourself or your spouse) ..... **7a 1**

**7b Add Lines 6c and 7a. Enter total** ..... **7b 2**

**8 Federal adjusted gross income** (From Federal Form 1040, 1040A or 1040EZ) ..... **8 31024.**

(Do not use FEDERAL TAXABLE INCOME)

If the amount on Line 8 is \$40,000 or more, or your gross income is less than your W-2s, you must enclose a copy of your Federal Form 1040 pages 1 and 2. Do not enclose other Federal Schedules

**9 Adjustments from Schedule 1** (See instructions) ..... **9**

**10 Georgia adjusted gross income** (Net total of Line 8 and Line 9) ..... **10**

**11 Standard Deduction** (Do not use FEDERAL STANDARD DEDUCTION) see instructions ..... **11a**

**b Self: 65 or over? Blind? Spouse: 65 or over? Blind?**

**Total of Boxes** x 1,300 = ..... **11b**

**c Total Standard Deduction** (Line 11a + Line 11b) ..... **11c**

**Use EITHER Line 11c OR Line 12** (Do not write on both lines)

**12 Total Itemized Deductions** used in computing Federal Taxable Income. If you use itemized deductions, you must enclose Federal Schedule A

Itemized Deductions (Schedule A-Form 1040)

Less: see instructions for Line 12

13 Subtract either Line 11c or Line 12 from Line 10; enter balance. ▶ 13  
14a Number on Line 6c multiplied by \$2,700 14a  
14b Number on Line 7a multiplied by \$3,000 14b  
14c Add Lines 14a and 14b. Enter total. ▶ 14c  
15 Georgia taxable income (Line 13 less Line 14c or Schedule 3, Line 14). ▶ 15 25704.  
16 Tax (Use Tax Table in the instructions). ▶ 16 1285.  
17 Credits from Schedule 2, Page 3 (Enter total but not more than the amount on Line 16). ▶ 17  
18 Balance (Line 16 less Line 17) if zero or less than zero, enter zero ▶ 18 1285.

19 Georgia Income Tax Withheld (Enter Tax Withheld Only and enclose withholding statements). ▶ 19

20 Estimated Tax for 2004 and Form IT-560. ▶ 20

21 Low Income Credit (See worksheet on page 11) 21a ▶ 21b. ▶ 21c

22 Department Use Only. DO NOT WRITE IN THIS BOX 22

23 Total prepayment credits (Add Lines 19, 20 and 21c). ▶ 23

24 If Line 18 exceeds Line 23 enter BALANCE DUE STATE. ▶ 24 1285.

25 If Line 23 exceeds Line 18 enter OVERPAYMENT amount. ▶ 25

26 Amount to be credited to 2005 ESTIMATED TAX ▶ 26

27 Georgia Wildlife Conservation Fund (No gift of less than \$1.00). ▶ 27

28 Georgia Children and Elderly Fund (No gift of less than \$1.00). ▶ 28

29 Georgia Cancer Research Fund (No gift of less than \$1.00). ▶ 29

30 Georgia Greenspace Trust Fund (No gift of less than \$1.00). ▶ 30

31 Form 500 UET (Estimated tax penalty). ▶ 31

32 (If you owe) Add Lines 24, 27, 28, 29, 30 and 31 THIS IS THE AMOUNT YOU OWE ▶ 32 1285.

Complete and mail Form 525-TV with your tax return and check or money order payable to: GEORGIA DEPARTMENT OF REVENUE

See page 25 in the 511 booklet for information about how to order Form 525-TV  
or visit [http://www2.state.ga.us/departments/dor/inclax/individual\\_income\\_tax\\_forms.shtml](http://www2.state.ga.us/departments/dor/inclax/individual_income_tax_forms.shtml)

DO NOT STAPLE OR PAPER CLIP YOUR CHECK, W-2'S OR TAX RETURN. ENCLOSE ALL ITEMS IN THE RETURN ENVELOPE.

33 (If you are due a refund) Subtract the sum of Lines 26 thru Line 31 from Line 25  
THIS IS YOUR REFUND. ▶ 33

REFUNDS TO:  
GEORGIA DEPARTMENT OF REVENUE  
PROCESSING CENTER  
P.O. BOX 740380  
ATLANTA, GA 30374-0380

PAYMENTS AND TAX RETURNS TO:  
GEORGIA DEPARTMENT OF REVENUE  
PROCESSING CENTER  
P.O. BOX 740399  
ATLANTA, GA 30374-0399

GA/A0112L 10/18/04

Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia.

Under penalty of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

X Taxpayer's Signature (Check if deceased)

Date

Daytime Phone Number

☒ Check the box to authorize the Georgia Department of Revenue to discuss the contents of this tax return with the preparer named below.

X Spouse's Signature (Check if deceased)

Date

Alexander G. Walton, Jr., CPA PC

X Alexander G. Walton Jr.

Name of Preparer if other than taxpayer

Phone Number

Your Social Security Number

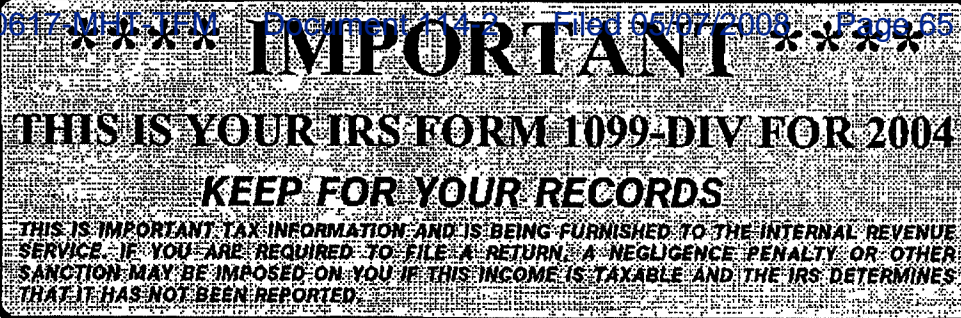
**SCHEDULE 3 COMPUTATION OF GEORGIA TAXABLE INCOME FOR PART-YEAR RESIDENTS AND NONRESIDENTS**  
Income earned in another state as a Georgia resident is taxable but other state(s) tax credit may apply. See instructions.

**DO NOT USE LINES 9 THRU 14 OF PAGES 1 AND 2, FORM 500**

	Federal Income after Georgia Adjustments	Income not Taxable to Georgia	Georgia Income
	<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>
1 Wages, Salaries, Tips, etc .....	559.	393.	166.
2 Interest and Dividends .....	160.	160.	
3 Business Income or (Loss).....	30779.	-3256.	34035.
4 Other Income or (Loss).....	43.	43.	
5 Total Income: Total Lines 1 thru 4.....	31541.	-2660.	34201.
<b>ADJUSTMENTS TO INCOME</b>			
6 Total adjustment from Federal Form 1040 ..	517.	20.	497.
7 Total adjustment from Form 500, Schedule 1, Page 3..... (See instructions)			
8 Adjusted Gross Income: Line 5 plus or minus Lines 6 and 7.....	31024.	-2680.	33704.
9 RATIO: Divide Line 8, Column C by Line 8, Column A. Enter percentage.....		100	% Not to exceed 100%
10 Itemized or Standard Deduction (See instructions).....		2300.	
11 Personal Exemption from Form 500, Page 1 (See instructions)			
11a Number on Line 6c 1 multiplied by \$2,700		2700	
11b Number on Line 7a 1 multiplied by \$3,000		3000	
11c Add lines 11a and 11b. Enter total.....		5700.	
12 Total Deductions and Exemptions: Add Lines 10 and 11c.....		8000.	
13 Multiply Line 12 by Ratio on Line 9 and enter result.....			8000.
14 Georgia Taxable Income: Subtract Line 13 from Line 8, Column C Enter here and on Page 2, Line 15 of Form 500.....			25704.

List the state(s) in which the income in Column B was earned and/or to which it was reported.

1 ALABAMA	4
2	5
3	6



PAYER'S name, street address, city, state, ZIP code, and telephone no.

WAL-MART INC. ASOP  
P.O. BOX 43080  
PROVIDENCE RI 02940-3080

For inquiry: 800-438-6278

RECIPIENT'S name, street address, city, state, and ZIP code

MICHAEL S SMITH  
& WANDA BRUSHWOOD

LAFAYETTE AL 36862

☐ CORRECTED (if checked)**Dividends and Distributions**

OMB No. 1545-0110

**2004**

Form 1099-DIV

**Copy B  
For Recipient**

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

1a Total ordinary dividends	1b Qualified dividends
\$ 2.56	\$ 2.56
2a Total capital gain distr.	2b Unrecap. sec. 1250 gain
\$	\$
2c Section 1202 gain	2d Collectibles (28%) gain
\$	\$
3 Nontaxable distributions	4 Federal income tax withheld
\$	\$
5 Investment expenses	6 Foreign tax paid
\$	\$
7 Foreign country or U.S. possession	8 Cash liquidation distributions
\$	\$
9 Noncash liquidation distributions	PAYER'S Federal identification number
\$	
RECIPIENT'S identification number	Account number

**Instructions to Recipients**

**Box 1a.** Shows total ordinary dividends that are taxable. Include this amount on line 9a of Form 1040 or 1040A. Also, report it on Schedule B (Form 1040) or Schedule 1 (Form 1040A), if required.

The amount shown may be a distribution from an employee stock ownership plan (ESOP). Report it as a dividend on your Form 1040/1040A but treat it as a plan distribution, not as investment income, for any other purpose.

**Box 1b.** Shows the portion of the amount in box 1a that may be eligible for the new 15% or 5% capital gains rates. See the Form 1040/1040A instructions for how to determine this amount. Report the eligible amount on line 9B, Form 1040 or 1040A.

**Box 2a.** Shows total capital gain distributions (long-term) from a regulated investment company or real estate investment trust. Report the amounts shown in box 2a on Schedule D (Form 1040), line 13. But, if no amount is shown in boxes 2c-2d and your only capital gains and losses are capital gain distributions, you may be able to report the amounts shown in box 2a on line 13 of Form 1040 (line 10 of Form 1040A) rather than Schedule D. See the Form 1040/1040A instructions.

**Box 2b.** Shows the portion of the amount in box 2a that is unrecaptured section 1250 gain from certain depreciable real property. Report this amount on the Unrecaptured Section 1250 Gain Worksheet in the Schedule D instructions (Form 1040).

**Box 2c.** Shows the portion of the amount in box 2a that is section 1202 gain from certain small business stock that may be subject to a 50% exclusion. See the Schedule D (Form 1040) instructions.

**Box 2d.** Shows 28% rate gain from sales or exchanges of collectibles. If required, use this amount when completing the 28% Rate Gain Worksheet-Line 18 in the instructions for Schedule D (Form 1040).

**Box 3.** Shows the part of the distribution that is nontaxable because it is a return of your cost (or other basis). You must reduce your cost (or other basis) by this amount for figuring gain or loss when you sell your stock. But if you get back all your cost (or other basis), report future nontaxable distributions as capital gains, even though this form shows them as nontaxable. See Pub. 550, Investment Income and Expenses.

**Box 4.** Shows backup withholding. For example, a payer must backup withhold on certain payments at a 28% rate if you did not give your taxpayer identification number to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 5.** Shows your share of expenses of a nonpublicly offered regulated investment company, generally a nonpublicly offered mutual fund. If you file Form 1040, you may deduct these expenses on the "Other expenses" line on Schedule A (Form 1040) subject to the 2% limit. This amount is included in box 1a.

**Box 6.** Shows the foreign tax you may be able to claim as a deduction or credit on Form 1040. See the Form 1040 instructions.

**Boxes 8 and 9.** Shows cash and noncash liquidation distributions.

**Nominees.** If this form includes amounts belonging to another person, you are considered a nominee recipient. You must file Form 1099-DIV with the IRS for each of the other owners to show their share of the income, and you must furnish a Form 1099-DIV to each. A husband or wife is not required to file a nominee return to show amounts owned by the other. See the 2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.

1273

17717-97382

**CLOSING DATE** - The last business day of the statement month.

**PRICE PER SHARE** - The price per share purchased or sold under the Plan.

**TAX WITHHELD** - The amount deducted from the cash dividend and paid to federal and/or state tax authorities. The letter (N) indicates that U.S. tax has been withheld for non-resident aliens or the letter (B) for those participants who are not in compliance with IRS regulations.

**ANNUAL MAINTENANCE FEE** - If you no longer work for Wal-Mart you may continue your account and buy shares without paying a brokerage fee. However, you will be charged \$30 once a year as a maintenance fee. The \$30 fee is automatically deducted from your account in the first quarter of each year by selling a portion of stock equal to \$30. If you do not wish to maintain your account after you leave the company, be sure to call EquiServe.

**SHARE BALANCE** - The number of shares in your account on the closing date.

**VALUE OF SHARES** - The estimated market value of the shares in your account on the closing date. It is the price per share multiplied by the share balance in your account on the closing date.

**LOAN COLLATERAL** - The number of shares held by EquiServe as collateral for a loan granted through the Wal-Mart Loan Program. Although these shares are still owned by you, they are not available for transfer, sale or issuance until your entire loan balance is paid. Loans are limited to associates in the U.S.

**TAX INFORMATION** - All participants will receive a record of dividends paid on a Form 1099-DIV. In addition, a record of all proceeds for shares sold through the Plan will be reported on Form 1099-B. Both forms will be sent once a year. Please note that a sale of shares represents a taxable event for purposes of the Internal Revenue Service.

### GUIDELINES FOR TRANSACTION FORM

**CERTIFICATE ISSUANCE** - Certificates will be registered in the name(s) in which the account is maintained on EquiServe's records. Certificates have monetary value and are negotiable. To avoid loss or theft, please keep them in a safe place!

**VOLUNTARY CASH CONTRIBUTION** - Fill in the amount you wish to invest on the Transaction Form and make your check payable to EquiServe. Be sure to include your Social Security Number on your check.

**CERTIFICATE DEPOSIT** - We suggest you use registered and insured mail when sending certificates for deposit into your Plan account.

**SHARE TRANSFER** - If you want to transfer shares from your account into a different account, please complete the Share Transfer section and have your signature(s) guaranteed. We can transfer shares only to individuals who have an existing account with EquiServe.

**SHARE SALE** - You may sell all or part of your shares held in your account at any time by calling EquiServe. You will be asked your name, Social Security number, PIN, and the number of shares to be sold. If the call is received before 2:00 p.m. Eastern Time (1:00 Central) Monday through Friday, the shares will be sold the same day if the securities market is open for normal business. For calls after 2:00 p.m. (1:00 Central), the transaction will take place the next business day. EquiServe fees and commissions on stock sales will be \$20 per transaction and 10 cents per share sold. You should receive a check representing the proceeds within 7 to 10 business days after the date of sale.

**ADDRESS CHANGES** - To ensure accurate and prompt updating of your new address, address changes should be given to both EquiServe and to your location manager.

**INTERNET ACCOUNT ACCESS** - You can obtain account balances, duplicate forms, and request the sale or issuance of your stock over the Internet at [www.equiserve.com](http://www.equiserve.com). To access your account, a password is required. If you have forgotten or lost your password you can have it reset by calling 1-800-438-6278.

For faster service, certificate issuances, share sales, and address changes can be made by calling our Customer Service Representatives at 800-438-6278.

**Share Transfer:** Transfer shares as follows:

Transfer \_\_\_\_\_ shares into the following account:

Account name \_\_\_\_\_

Account number \_\_\_\_\_

Signature(s) of Plan participant(s):  
\_\_\_\_\_  
\_\_\_\_\_

**Change of Address:**

Participant name \_\_\_\_\_

Account number \_\_\_\_\_

New address  
\_\_\_\_\_  
\_\_\_\_\_

Account Consolidations

If you received more than one statement, please contact EquiServe to consolidate your accounts.

Affix Medallion Signature Guarantee\* Imprint

Date \_\_\_\_\_ By \_\_\_\_\_

\*Signature guarantees must be obtained from an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union or Savings Association participating in a Medallion program approved by the Securities Transfer Association.

Note: A notary signature guarantee will not be accepted for share transfers.



Payer's  
Fed I.D. No.

Farmers & Merchants Bank  
P.O. Box 128  
Lafayette, AL 36862  
(334) 864-9941

OMB No.  
Interest Income  
Form 1099-INT  
Copy B  
For Recipient  
For year 2004

MICHAEL SMITH

LAFAYETTE AL 36862

Recipient's  
Tax I.D. No.

Account Information	Interest Income	Interest on U.S. Bonds & Treas	Federal Tax Withheld
*-----*	*-----*	*-----*	*-----*
SAV	6.31		
CD	151.15		

BOX 1 Interest income not included in box 3. . . . .	157.46
BOX 2 Early withdrawal penalty . . . . .	16.63
BOX 3 Interest on U.S. Savings Bonds and Treas. obligations	
BOX 4 Federal income tax withheld. . . . .	
BOX 5 Investment expenses. . . . .	
BOX 6 Foreign Tax paid . . . . .	
BOX 7 Foreign country or U.S. Possession	

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

(Keep for your records.)



Amount shown on the

Box 1

Box 2

Box 3

Box 4

Box 5

Box 6

Box 7

Box 8

Box 9

Box 10

Box 11

Box 12

Box 13

1099-CID OMB No. 1545-0047  
Original Issue Discount

Box 14

Box 15

Box 16

Box 17

Box 18

Box 19

Box 20

Box 21

Box 22

Box 23

Box 24

Box 25

Box 26

Box 27

Box 28

Medicare Choice MS4

Amount shown on the

Box 2

1099-CID OMB No. 1545-0047  
HSA, Archer MSA, or the Medicare Choice MS4  
Original Issue Discount

Box 12

Box 13

Box 14

Box 15

Box 16

Box 17

Box 18

Box 19

Box 20

### 2004 SUMMARY SHEET

TERRITORY PAYMENT	8,553.14
TRUCK LEASE	7,245.53
TRUCK REPAIR	50.00
TRUCK INSURANCE	1,933.97
HEALTH INSURANCE	3,129.17
ADMINISTRATIVE FEE	530.00
WAREHOUSE RENT	1,378.00
FICA TAX	3,476.08
FICA ADJUSTMENT	-402.21
UNIFORMS	99.40
RELIEF DRIVER	100.00
MISCELLANEOUS EXPENSE	1,060.47

TRUCK REPAIRS	TWASHES	BUSINESS SUPPLIES	ACCK FEE	CELL PHONE	MILEAGE TO PICKUP	TRUCK GAS	MISC
				58.21		1042.07	61.21
				52.04		62.94	
						16.02	
						20	
60.32			34.59	89.74		116.78	20
30.21						435.37	50.05
						139.61	
		79.05		52.04		374.19	3.22
			26.83			126.22	4.49
						538.27	
						25.01	
						10	
					131		
					131		
					131		
30.31				93.5		31.01	43.18
				52.04		526.12	4.28
						20	16
						31.9	
						10	
						40	
						205.56	
100				52.04		20	
						20	
						38	
						40.52	
						41	
						711.63	
36.55				52.04		31.9	
						20	
						20	
						408.73	
						10.01	
						20	
						20	
						17.24	
						20	
				52.04		598.48	
						22.01	
						38.75	
						10	
						38.53	
						162.97	
						10	
30.74				52.04		10	
					153		70

$$\begin{array}{r} 871.66 \\ 32.88 \\ 809.75 \\ \hline 924.47 \end{array} \quad \begin{array}{r} 376.57 \\ \hline \end{array}$$

MICHAEL S SMITH

4/07/04

07:36PM

**Federal**

Payment Number	Date Due	2003 Overpayment Credit Applied	Balance Due	Check or money order number or credit card confirmation number	Amount Paid (do not include any credit card convenience fee)	Date paid
1	4/15/04	10.	690.			
2	6/15/04		700.			
3	9/15/04		700.			
4	1/18/05		700.			
5						
6						
7						
8						
<b>Total.....</b>		10.	2,790.			

State: Alabama

**State**

Payment Number	Date Due	2003 Overpayment Credit Applied	Balance Due	Check or money order number or credit card confirmation number	Amount Paid (do not include any credit card convenience fee)	Date paid
1	4/15/04		280.			
2	6/15/04		280.			
3	9/15/04		280.			
4	1/18/05		280.			
5						
6						
7						
8						
<b>Total.....</b>			1,120.			

**This document is for your records. Please use it to record your estimated tax payments and bring it with you for reference in the preparation of your 2004 tax return.**

FED. INCOME  
TAX WITHHELD  
BOX 02 OF W-2

0.00  
0.00  
0.00

SUI/SDI	0.00
BOX 14 OF W-2	

of Employee's name, address and ZIP code  
**MICHAEL S SMITH**  
LAFAYETTE, LA

Safe, accurate, FAST! Use  Visit the IRS Web Site at [www.irs.gov](http://www.irs.gov).

**Employee Reference Copy**  
**W-2 Wage and Tax Statement 2004**  
Copy C for employee's records. OMB No. 1545-0046

MICHAEL S SMITH

LAFAYETTE, AL 36862

**Social Security Number:**  
**Taxable Marital Status:**  
**SINGLE**  
**Exemptions/Allowances:**  
**Federal: 0**  
**State: 0**  
**Local: 0**

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- Fold and Detach Here -

1 Wages, tips, other comp. <b>64321.78</b>		2 Federal income tax withheld	
3 Social security wages <b>44817.88</b>		4 Social security tax withheld <b>2778.71</b>	
5 Medicare wages and tips <b>44817.88</b>		6 Medicare tax withheld <b>649.86</b>	
7a Control Number	7b Dept.	8a Corp. <b>SV24</b>	8b Employer use only <b>1465</b>
9 Employer's name, address, and ZIP code <b>FLOWERS BAKING CO OF OPELIKA LLC 101 SIMMONS STREET OPELIKA, AL 36801</b>			
10 Employer's FED ID number		11 Allocated tips	
12 Advance EIC payment		13 Dependent care benefits	
14 Nonqualified plans		15a See instructions for box 12	
16 Other		17a	
		17b	
		17c	
		17d	
18a Stat emp.		18b Ret. plan	18c 3rd party sick pay
X			
19 Employee's name, address and ZIP code <b>MICHAEL S SMITH LAFAYETTE, MS</b>			
20 State	21 Employer's state ID no.	22 State wages, tips, etc.	
23 State income tax		24 Local wages, tips, etc.	
25 Local income tax		26 Locality name	
<b>Federal Filing Copy</b> <b>W-2 Wage and Tax Statement 2004</b> Copy B to be filed with employee's Federal income Tax Return. <b>OMB No. 1545-0047</b>			

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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tax withheld or if you can take the earned income credit. **Earned income credit (EIC).** You must file a tax return if you are eligible for the credit. **Box 3.** You may be able to take the EIC for 2004 if: (a) you do not have a qualifying child and you earned less than \$11,490 (\$12,490 if married filing jointly), (b) you have one qualifying child and you earned less than \$30,338 (\$31,338 if married filing jointly), or (c) you have more than one qualifying child and you earned less than \$34,458 (\$35,458 if married filing jointly). You and any qualifying children must have valid social security numbers (SSNs). You cannot take the EIC if your investment income is more than \$2,650. Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return. If you have at least one qualifying child, you may get as much as \$4,583 of the EIC in advance by completing Form W-5, Earned Income Credit Advance Payment Certificate, and giving it to your employer.

**Clergy and religious workers.** If you are not subject to social security and Medicare taxes, see Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

**Corrections.** If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. If your name and SSN are correct but are not the same as shown on your social security card, you should ask for a new card at any SSA office or call 1-800-772-1213.

**Credit for excess taxes.** If you had more than one employer in 2004 and more than \$5,449.80 in social security and/or Tier 1 railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your Federal income tax. If you had more than one railroad employer and more than \$3,189.90 in Tier 2 RRTA tax was withheld, you also may be able to claim a credit. See your Form 1040 or Form 1040A instructions and Pub. 505, Tax Withholding and Estimated Tax.

**Box 1.** Enter this amount on the wages line of your tax return.

**Box 2.** Enter this amount on the Federal income tax withheld line of your tax return.

**Box 6.** This amount is not included in boxes 1, 3, 5, or 7. For information on how to report tips on your tax return, see your Form 1040 instructions.

**Box 9.** Enter this amount on the advance earned income credit payments line of your Form 1040 or Form 1040A.

behalf (including amounts from a section 125 cafeteria plan). Any amount over \$5,000 also is included in box 1. You must complete Schedule 2 (Form 1040A) or Form 457(b) and Dependent Care Expenses to compute any taxable and nontaxable amounts.

**Box 11.** This amount is: (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or nongovernmental section 457(b) plan or (b) included in box 3 and/or 5 if it is a prior year deferral under a nonqualified or section 457(b) plan that became taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount.

**Box 12.** The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, G, H, and S) under all plans are generally limited to \$13,000 (\$14,000 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). However, if you were at least age 50 in 2004, your employer may have allowed an additional deferral of up to \$3,000 (\$1,500 for section 401(k)(11) and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals. For code G, the limit on elective deferrals may be higher for the last three years before you reach retirement age. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit must be included in income. See the "Wages, Salaries, Tips, etc." line instructions for Form 1040.

**Note:** If a year follows code D, E, F, G, H, or S, you made a make-up pension contribution for a prior year(s) when you were in military service. To figure whether you made excess deferrals, consider these amounts for the year shown, not the current year. If no year is shown, the contributions are for the current year.

**A—**Uncollected social security or RRTA tax on tips. (Include this tax on Form 1040. See "Total Tax" in the Form 1040 instructions.)

**B—**Uncollected Medicare tax on tips. (Include this tax on Form 1040. See "Total Tax" in the Form 1040 instructions.)

**C—**Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to social security wage base), and 5).

**D—**Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

**E—**Elective deferrals under a section 403(b) salary reduction agreement.

**G—**Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan.

**H—**Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan (see "Adjusted Gross Income" in the Form 1040 instructions for how to deduct).

**J—**Nontaxable sick pay (information only, not included in boxes 1, 3, or 5).

**K—**20% excise tax on excess golden parachute payments (see "Total Tax" in the Form 1040 instructions).

**L—**Substantiated employee business expense reimbursements (nontaxable).

**M—**Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only) (see "Total Tax" in the Form 1040 instructions).

**N—**Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (former employees only) (see "Total Tax" in the Form 1040 instructions).

**P—**Excludable moving expense reimbursements paid directly to employee (not included in boxes 1, 3, or 5).

**R—**Employer contributions to your Archer MSA (see Form 8853, Archer MSAs and Long-Term Care Insurance Contracts).

**S—**Employee salary reduction contributions under a section 408(p) SIMPLE (not included in box 1).

**T—**Adoption benefits (not included in box 1). You must complete Form 8838, Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.

**V—**Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3 (up to social security wage base), and 5).

**W—**Employer contributions to your Health Savings Account (see new Form 8889, Health Savings Accounts).

**Box 13.** If the "Retirement plan" box is checked, special limits may apply to the amount of traditional IRA contributions that you may deduct.

**Note:** Keep Copy C of Form W-2 for at least 3 years after the due date for filing your income tax return. However, to help protect your social security benefits, keep Copy C until you begin receiving social security benefits, just in case there is a question about your work record and/or earnings in a particular year. Review the information shown on your annual (for workers over 25) Social Security Statement.

**This information is being furnished to the Internal Revenue Service.** If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it. Department of the Treasury - Internal Revenue Service

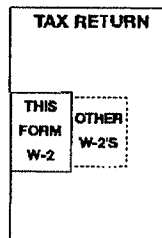
**NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.**

Department of the Treasury - Internal Revenue Service

This information is being furnished to the Internal Revenue Service.

**IMPORTANT NOTE:**

In order to insure efficient processing, attach this W-2 to your tax return like this (following city or local instructions):



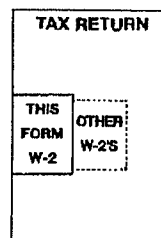
NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

Department of the Treasury - Internal Revenue Service

This information is being furnished to the Internal Revenue Service.

**IMPORTANT NOTE:**

In order to insure efficient processing, attach this W-2 to your tax return like this (following state instructions):



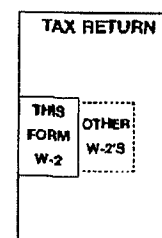
NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

Department of the Treasury - Internal Revenue Service

This information is being furnished to the Internal Revenue Service.

**IMPORTANT NOTE:**

In order to insure efficient processing, attach this W-2 to your tax return like this (following IRS instructions):



NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

1 Gross distribution 43.35	2a Taxable amount 43.35	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
2b Taxable amount not determined	Total distribution X	
PAYER'S name, street address, city, state, and ZIP code		

## AND RETIREMENT SERVICES

PAYER'S Federal identification number		RECIPIENT'S identification number	
3 Capital gain (included in box 2a)	4 Federal income tax withheld	5 Employee contributions or insurance premiums	
0.00	0.00	0.00	
6 Net unrealized appreciation in employer's securities	7 Distribution code	8 Other	%
0.00	1	0.00	
9a Your percentage of total distribution		9b Total employee contributions	
		0.00	

RECIPIENT'S name and street address (incl. apt. no.), city, state and ZIP code

SMITH, MICHAEL S

LAFAYETTE AL 36004

Account number	10 State tax withheld
	0.00
11 State/Payer's state no.	12 State distribution
AL	
13 Local tax withheld	14 Name of locality
15 Local distribution	

File this copy with your state, city, or  
local income tax return, when required.Department of the Treasury  
Internal Revenue Service

Form 1099-R <input type="checkbox"/> CORRECTED (if checked)		OMB No 1545-0118	2004
1 Gross distribution 43.35	2a Taxable amount 43.35	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
2b Taxable amount not determined	Total distribution X		
PAYER'S name, street address, city, state, and ZIP code			

ADP RETIREMENT SERVICES  
11 NORTHEASTERN BLVD  
SALEM NH 03079-2380

PAYER'S Federal identification number		RECIPIENT'S identification number	
3 Capital gain (included in box 2a)	4 Federal income tax withheld	5 Employee contributions or insurance premiums	
0.00	0.00	0.00	
6 Net unrealized appreciation in employer's securities	7 Distribution code	8 Other	%
0.00	1	0.00	
9a Your percentage of total distribution		9b Total employee contributions	
		0.00	

RECIPIENT'S name and street address (incl. apt. no.), city, state and ZIP code

SMITH, MICHAEL S

LAFAYETTE AL 36004

Account number	10 State tax withheld
	0.00
11 State/Payer's state no.	12 State distribution
AL	
13 Local tax withheld	14 Name of locality
15 Local distribution	

Copy C For Recipient's Records

Department of the Treasury  
Internal Revenue Service

1 Gross distribution 43.35	2a Taxable amount 43.35	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
2b Taxable amount not determined	Total distribution X	
PAYER'S name, street address, city, state, and ZIP code		

## ADP RETIREMENT SERVICES

PAYER'S Federal identification number		RECIPIENT'S identification number	
3 Capital gain (included in box 2a)	4 Federal income tax withheld	5 Employee contributions or insurance premiums	
0.00	0.00	0.00	
6 Net unrealized appreciation in employer's securities	7 Distribution code	8 Other	%
0.00	1	0.00	
9a Your percentage of total distribution		9b Total employee contributions	
		0.00	

RECIPIENT'S name and street address (incl. apt. no.), city, state and ZIP code

SMITH, MICHAEL S

LAFAYETTE AL 36004

Account number	10 State tax withheld
	0.00
11 State/Payer's state no.	12 State distribution
AL	
13 Local tax withheld	14 Name of locality
15 Local distribution	

File this copy with your state, city, or  
local income tax return, when required.Department of the Treasury  
Internal Revenue Service

Form 1099-R <input type="checkbox"/> CORRECTED (if checked)		OMB No 1545-0118	2004
1 Gross distribution 43.35	2a Taxable amount 43.35	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
2b Taxable amount not determined	Total distribution X		
PAYER'S name, street address, city, state, and ZIP code			

ADP RETIREMENT SERVICES  
11 NORTHEASTERN BLVD  
SALEM NH 03079-2380

PAYER'S Federal identification number		RECIPIENT'S identification number	
3 Capital gain (included in box 2a)	4 Federal income tax withheld	5 Employee contributions or insurance premiums	
0.00	0.00	0.00	
6 Net unrealized appreciation in employer's securities	7 Distribution code	8 Other	%
0.00	1	0.00	
9a Your percentage of total distribution		9b Total employee contributions	
		0.00	

RECIPIENT'S name and street address (incl. apt. no.), city, state and ZIP code

SMITH, MICHAEL S

LAFAYETTE AL 36004

Account number	10 State tax withheld
	0.00
11 State/Payer's state no.	12 State distribution
AL	
13 Local tax withheld	14 Name of locality
15 Local distribution	

Copy B If this form shows Federal income  
tax withheld in Box 4, attach to it.Department of the Treasury  
Internal Revenue Service

RECIPIENT COPIES - LRA4

RECIPIENT COPIES - LRA4



**Instructions for Recipient (Continued)**[illegible]

### Instructions for Recipient

Generally, distributions "not payable" include, *quasi* annuities and interest on bonds or other fixed-income assets, and "not payable" also refers to the fact that distributions are not made to the government. For example, a distribution of a dividend on a stock owned by a corporation is not a "dividend" for purposes of the estate tax, but it is a "dividend" for purposes of the gift tax. A distribution of a dividend on a stock owned by a corporation is not a "dividend" for purposes of the estate tax, but it is a "dividend" for purposes of the gift tax. A distribution of a dividend on a stock owned by a corporation is not a "dividend" for purposes of the estate tax, but it is a "dividend" for purposes of the gift tax.

[illegible]

Lump-Sum distributions if you have not reached minimum retirement age, report your disability payments on the 1-a to "Wages, advance tips, etc." After reporting total net corrective distributions of previous distributions, exclude corrective, or excess, age-weight contributions.

[illegible]

**Continued on the back of Copy C.**

1095-R / COPY B

**SMITH**  
**DEFENDANT'S EXHIBIT**  
**2**

ENCLOSURE

2005 Federal & State Income Tax  
Return for  
Michael S. Smith

Return Tax Return for minimum of 3 years

12

Label		Your first name		Middle name		Last name		Your social security number	
(See instructions.)		<b>MICHAEL S SMITH</b>							
Use the IRS label. Otherwise, please print or type		If a joint return, spouse's first name MI Last name						Spouse's social security number	
		Home address (number and street). If you have a P.O. box, see instructions.						Apartment no.	
		City, town or post office. If you have a foreign address, see instructions.						State ZIP code	
Personal Election Campaign		<b>LAFAYETTE, AL 36862</b>						You must enter your social security number(s) above. ▲	
		Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions)						☐ You ☐ Spouse	
Filing Status		1 Single		4 <input checked="" type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.					
		2 Married filing jointly (even if only one had income)							
Check only one box.		3 Married filing separately. Enter spouse's SSN above & full name here.		5 ☐ Qualifying widow(er) with dependent child (see instructions)					
Exemptions		6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a						Boxes checked on 6a and 6b ... 1	
		b <input type="checkbox"/> Spouse.						No. of children on 6c who:	
		c Dependents:		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs)	• lived with you ... 1 • did not live with you due to divorce or separation (see instrs) ... Dependents on 6c not entered above ... Add numbers on lines above ... 2		
If more than four dependents, see instructions.		(1) First name	Last name						
		d Total number of exemptions claimed ...							
Income		7 Wages, salaries, tips, etc. Attach Form(s) W-2						7	
		8a Taxable interest. Attach Schedule B if required.						8a 101.	
		b Tax-exempt interest. Do not include on line 8a.						8b	
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.		9a Ordinary dividends. Attach Schedule B if required						9a 3.	
		b Qualified divs (see instrs)						9b 3.	
		10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions).						10	
		11 Alimony received.						11	
		12 Business income or (loss). Attach Schedule C or C-EZ.						12 30,232.	
If you did not get a W-2, see instructions.		13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here						13 8.	
		14 Other gains or (losses). Attach Form 4797.						14	
		15a IRA distributions		b Taxable amount (see instrs)		15b			
		16a Pensions and annuities		b Taxable amount (see instrs)		16b			
		17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E						17	
		18 Farm income or (loss) Attach Schedule F.						18	
		19 Unemployment compensation						19	
		20a Social security benefits		b Taxable amount (see instrs)		20b			
		21 Other income						21	
		22 Add the amounts in the far right column for lines 7 through 21. This is your total income.						22 30,344.	
Adjusted Gross Income		23 Educator expenses (see instructions).						23	
		24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ.						24	
		25 Health savings account deduction. Attach Form 8889						25	
		26 Moving expenses. Attach Form 3903.						26	
		27 One-half of self-employment tax. Attach Schedule SE.						27	
		28 Self-employed SEP, SIMPLE, and qualified plans.						28	
		29 Self-employed health insurance deduction (see instructions).						29	
		30 Penalty on early withdrawal of savings.						30	
		31a Alimony paid b Recipient's SSN				31a			
		32 IRA deduction (see instructions)						32 500.	
		33 Student loan interest deduction (see instructions).						33	
		34 Tuition and fees deduction (see instructions)						34	
		35 Domestic production activities deduction. Attach Form 8803						35	
		36 Add lines 23 - 31a and 32 - 35						36	
		37 Subtract line 36 from line 22. This is your adjusted gross income.						37	

Deduction for		39b	
People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions.		40	
All others:		41	
Single or Married filing separately. \$5,000		42	
Married filing jointly or Qualifying widow(er), \$10,000		43	
Head of household. \$7,300		44	
		45	
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**Other Taxes**

**Payments**

**Refund**

**Amount You Owe**

**Third Party Designee**

**Sign Here**

**Paid Preparer's Use Only**

Department of the Treasury (99) Attach to Form 1040 or 1041 See instructions for Schedule C (Form 1040) 2005 Attachment Sequence No. 09

Name of proprietor  
**MICHAEL S SMITH**

**A** Principal business or profession, including product or service (see instructions)  
**BREAD SALESMAN**

**C** Business name. If no separate business name, leave blank.  
**FLOWERS BAKING BREAD ROUTE**

**E** Business address (including suite or room no.)  
City, town or post office, state, and ZIP code

**F** Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) \_\_\_\_\_

**G** Did you 'materially participate' in the operation of this business during 2005? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

**H** If you started or acquired this business during 2005, check here.

**B** Enter code from instructions  
722300

**D** Employer ID number (EIN), if any

Social security number (SSN)

**Part I Income**

1	Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. <input checked="" type="checkbox"/>	1	65,346.
2	Returns and allowances.	2	
3	Subtract line 2 from line 1.	3	65,346.
4	Cost of goods sold (from line 42 on page 2)	4	-20.
5	<b>Gross profit.</b> Subtract line 4 from line 3.	5	65,366.
6	Other income, including Federal and state gasoline or fuel tax credit or refund	6	300.
7	<b>Gross income.</b> Add lines 5 and 6.	7	65,666.

**Part II Expenses.** Enter expenses for business use of your home only on line 30.

8	Advertising	8		18	Office expense	18	
9	Car and truck expenses (see instructions)	9	12,169.	19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):		
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20a	7,026.
12	Depletion	12		b	Other business property	20b	1,352.
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21	Repairs and maintenance	21	1,084.
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	1,419.
15	Insurance (other than health)	15	1,984.	23	Taxes and licenses	23	347.
16	Interest:			24	Travel, meals, and entertainment:		
a	Mortgage (paid to banks, etc)	16a		a	Travel	24a	
b	Other	16b	5,344.	b	Deductible meals and entertainment	24b	
17	Legal & professional services	17		25	Utilities	25	
28	<b>Total expenses before expenses for business use of home.</b> Add lines 8 through 27 in columns.	28	35,434.	26	Wages (less employment credits)	26	
29	<b>Terrative profit (loss).</b> Subtract line 28 from line 7.	29	30,232.	27	Other expenses (from line 48 on page 2)	27	4,709.
30	<b>Expenses for business use of your home.</b> Attach Form 8829	30					
31	<b>Net profit or (loss).</b> Subtract line 30 from line 29.	31	30,232.				
	• If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.						
	• If a loss, you must go to line 32.						
32	If you have a loss, check the box that describes your investment in this activity (see instructions).						
	• If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.			32a	<input type="checkbox"/> All investment is at risk.		
	• If you checked 32b, you must attach Form 6198. Your loss may be limited.			32b	<input type="checkbox"/> Some investment is not at risk.		

33	Method(s) used to value closing inventory	a	Cost	b	Lower of cost or market	c	Other (attach explanation)
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation						
							<input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation.						35
36	Purchases less cost of items withdrawn for personal use.						36
37	Cost of labor. Do not include any amounts paid to yourself						37
38	Materials and supplies						38
39	Other costs						39 -20.
40	Add lines 35 through 39						40 -20.
41	Inventory at end of year						41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4						42 -20.

**Part IV Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) 1/02/02

44 Of the total number of miles you drove your vehicle during 2005, enter the number of miles you used your vehicle for:  
a Business 1,301 b Commuting \_\_\_\_\_ c Other 6,349

45 Do you (or your spouse) have another vehicle available for personal use? ☒ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours? ☒ Yes ☐ No

47 a Do you have evidence to support your deduction? ☒ Yes ☐ No  
b If "Yes," is the evidence written? ☒ Yes ☐ No

**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

Accounting	240.
Administration	520.
Amortization	3,256.
Relief Driver	50.
Telephone	643.
48 Total other expenses. Enter here and on page 1, line 27	48 4,709.



**Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less**

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2			2		
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)			3		
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824					4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions					6
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)					7

**Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year**

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
.585 Shs Walmart, Inc.	Various	3/15/05	30.	22.	8.
9 Enter your long-term totals, if any, from Schedule D-1, line 9			9		
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)			10	30.	
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824					11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					12
13 Capital gain distributions. See instrs					13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions					14
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2					15
					8.



**16** Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20 and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below.

**17** Are lines 15 and 16 **both** gains?

☒ **Yes.** Go to line 18.

☐ **No.** Skip lines 18 through 21, and go to line 22.

**18** Enter the amount, if any, from line 7 of the **28% Rate Gain Worksheet** in the instructions . . . . .

**18** 0.

**19** Enter the amount, if any, from line 18 of the **Unrecaptured Section 1250 Gain Worksheet** in the instructions. . . . .

**19**

**20** Are lines 18 and 19 **both** zero or blank?

☒ **Yes.** Complete Form 1040 through line 43, and then complete the **Qualified Dividends and Capital Gain Tax Worksheet** in the Instructions for Form 1040. **Do not** complete lines 21 and 22 below.

☐ **No.** Complete Form 1040 through line 43, and then complete the **Schedule D Tax Worksheet** in the instructions. **Do not** complete lines 21 and 22 below.

**21** If line 16 is a loss, enter here and on Form 1040, line 13, the **smaller** of:

- The loss on line 16 or
- (\$3,000), or if married filing separately, (\$1,500)

**21**

**Note.** When figuring which amount is smaller, treat both amounts as positive numbers.

**22** Do you have qualified dividends on Form 1040, line 9b?

☐ **Yes.** Complete Form 1040 through line 43, and then complete the **Qualified Dividends and Capital Gain Tax Worksheet** in the Instructions for Form 1040.

☐ **No.** Complete the rest of Form 1040.

Schedule D (Form 1040) 2005

Name(s) shown on return

MICHAEL S SMITH

Your social security number

**CAUTION:** You cannot take this credit if either of the following applies.

- The amount on Form 1040, line 38, or Form 1040A, line 22, is more than \$25,000 (\$37,500 if head of household; \$50,000 if married filing jointly).
- The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 1988. (b) is claimed as a dependent on someone else's 2005 tax return, or (c) was a student (see instructions)

	(a) You	(b) Your spouse
1 Traditional and Roth IRA contributions for 2005. <b>Do not</b> include rollover contributions	1 500.	
2 Elective deferrals to a 401(k) or other qualified employer plan, voluntary employee contributions, and 501(c)(18)(D) plan contributions for 2005 (see instructions)	2	
3 Add lines 1 and 2	3 500.	
4 Certain distributions received <b>after</b> 2002 and <b>before</b> the due date (including extensions) of your 2005 tax return (see instructions). If married filing jointly, include <b>both</b> spouses' amounts in <b>both</b> columns. See instructions for an exception.	4 43.	
5 Subtract line 4 from line 3. If zero or less, enter -0-	5 457.	
6 In each column, enter the <b>smaller</b> of line 5 or \$2,000	6 457.	
7 Add the amounts on line 6. If zero, <b>stop</b> ; you cannot take this credit.		7 457.
8 Enter the amount from Form 1040, line 38*, or Form 1040A, line 22.	8 29,844.	
9 Enter the applicable decimal amount shown below:		

If line 8 is—		And your filing status is—		
Over—	But not over—	Married filing jointly	Head of household	Single, Married filing separately, or Qualifying widow(er)
---	\$15,000	.5	.5	.5
\$15,000	\$16,250	.5	.5	.2
\$16,250	\$22,500	.5	.5	.1
\$22,500	\$24,375	.5	.2	.1
\$24,375	\$25,000	.5	.1	.1
\$25,000	\$30,000	.5	.1	.0
\$30,000	\$32,500	.2	.1	.0
\$32,500	\$37,500	.1	.1	.0
\$37,500	\$50,000	.1	.0	.0
\$50,000	---	.0	.0	.0

Note: If line 9 is zero, **stop**; you cannot take this credit.

10 Multiply line 7 by line 9.	10 46.
11 Enter the amount from Form 1040, line 46, or Form 1040A, line 28.	11 1,896.
12 Enter the total of your credits from Form 1040, lines 47 through 50, or Form 1040A, lines 29 through 31.	12
13 Subtract line 12 from line 11. If zero, <b>stop</b> ; you cannot take this credit.	13 1,896.
14 Credit for qualified retirement savings contributions. Enter the <b>smaller</b> of line 10 or line 13 here and on Form 1040, line 51, or Form 1040A, line 32.	14 46.

\*See Publication 590 for the amount to enter if you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico.

BAA For Paperwork Reduction Act Notice, see instructions.

Form 8880 (2005)

3/23/06

06:23PM

**Wage Schedule**

<u>Taxpayer - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi- care</u>	<u>State W/H</u>	<u>Local W/H</u>
FLOWERS BAKING CO. OF OPELIKA	65,346.		2,827.	661.		
Grand Total	<u>65,346.</u>	<u>0.</u>	<u>2,827.</u>	<u>661.</u>	<u>0.</u>	<u>0.</u>

**Form 1040, Line 8a  
Interest Income**

FARMERS &amp; MERCHANTS BANK

Total 101.  
101.

**Form 1040, Line 9a  
Dividend Income**

WALMART, INC. ASOP

Total 3.  
3.

**Form 1040, Line 9b  
Qualified Dividends**

WALMART, INC. ASOP

Total 3.  
3.

3/23/06

06:23PM

## IRA Deduction Worksheet (Form 1040, Line 32)

Taxpayer

1. Were you covered by a retirement plan?  
 YES (for either if MFJ). Go to line 2.  
 NO (for both if MFJ). Skip lines 2-6.  
 Enter \$4,000 (or \$4,500 if age 50 or older)  
 on line 7. Then go to line 8. No
2. Enter the threshold for your filing status.
3. Enter the amount from Form 1040, line 22.
4. Add amounts on Form 1040, lines 23 through 31a,  
 and any amount entered next to line 36.
5. Subtract line 4 from line 3 (not < 0).
6. Subtract line 5 from line 2 (not < 0).
7. Multiply line 6 by 40% (or by 45% if age  
 50 or over). Round up to the next multiple  
 of \$10. If the result is more than zero and  
 less than \$200, enter \$200. If the result is  
 more than \$4,000 (or \$4,500 if age 50 or older),  
 enter \$4,000 (or \$4,500). 4,000.
8. Enter wages and other earned income,  
 minus any deductions on Form 1040,  
 lines 27 and 28. Do not reduce wages  
 by any loss from self-employment. 65,346.
- Deductible IRA Contributions:
9. Enter IRA contributions you made, or  
 will make by April 17, 2006, for 2005. 500.
10. Enter the smallest of line 7, 8 or 9.  
 This is the most you can deduct on  
 Form 1040, line 32. 500.
- Nondeductible IRA Contributions:
11. Subtract line 10 from the smaller of line  
 8 or line 9. Enter the part you choose to  
 make nondeductible on Form 8606, line 1. 0.

Qualified Dividends and Capital Gain Tax Worksheet (Form 1040, Line 44)

1. Enter the amount from Form 1040, line 43 16,144.
2. Enter the amount from Form 1040, line 9b 3.
3. Are you filing Schedule D?  
☒ Yes. Enter the smaller of line 15 or 16 of Schedule D, but do not enter less than zero  
☐ No. Enter the amount from Form 1040, line 13 8.
4. Add lines 2 and 3 11.
5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise enter zero. 0.
6. Subtract line 5 from line 4. If zero or less, enter zero. 11.
7. Subtract line 6 from line 1. If zero or less, enter zero. 16,133.
8. Enter the smaller of:  
 - The amount on line 1, or  
 - \$29,700 if single or married filing separately,  
 \$59,400 if married filing jointly or qualifying widow(er), \$39,800 if head of household. 16,144.
9. Is the amount on line 7 equal to or more than the amount on line 8?  
☐ YES. Skip lines 9 through 11;  
 Go to line 12 and check the "No" box  
☒ NO. Enter the amount from line 7 16,133.
10. Subtract line 9 from line 8 11.
11. Multiply line 10 by 5% (.05) 1.
12. Are the amounts on lines 6 and 10 the same?  
☒ YES. Skip lines 12 through 15;  
 go to line 16  
☐ NO. Enter the smaller of line 1 or line 6
13. Enter the amount from line 10. (If line 10 is blank, enter zero.)
14. Subtract line 13 from line 12.
15. Multiply line 14 by 15% (.15)
16. Figure the tax on the amount on line 7.  
 (Use the Tax Table or Tax Computation Worksheet) 1,896.
17. Add lines 11, 15, and 16 1,897.
18. Figure the tax on the amount on line 1.  
 (Use the Tax Table or Tax Computation Worksheet) 1,896.
19. Tax on all taxable income (including capital gain distributions). Enter the smaller of line 17 or line 18 here and on Form 1040, line 44 1,896.

MICHAEL S SMITH

3/23/06

06:23PM

**Vehicle Expenses - Schedule C**  
**BREAD SALESMAN**

	<u>Pickup Truck</u>
1. Date placed in service	1/02/02
2. Total mileage	7,650.
3. Business mileage (1/1/05 - 8/31/05)	843.
4. Business mileage (9/1/05 - 12/31/05)	458.
5. Total business mileage (add lines 3 and 4)	1,301.
6. Business use percentage (divide line 5 by line 2)	0.1701

**Standard Mileage Rate:**

7. Multiply line 3 by 40.5 cents (.405)	341.
8. Multiply line 4 by 48.5 cents (.485)	222.
9. Standard mileage deduction (add lines 7 and 8)	563.

**Actual Expenses:**

10. Gasoline, lube and oil	
11. Repairs	
12. Tires	
13. Insurance	
14. Miscellaneous	
15. Auto license (except personal property taxes)	
16. Value of employer-provided vehicle	
17. Vehicle rent or lease (less inclusion)	
18. Add lines 10 through 17	0.
19. Multiply line 18 by line 6	
20. Depreciation and section 179 deduction	
21. Add lines 19 and 20	0.

**Total Vehicle Expenses:**

22. Enter line 9 or line 21	563.
23. Parking fees and tolls	
24. Add lines 22 and 23	563.

**Vehicle Expense Allocation:**

25. Car and truck expenses	563.
26. Depreciation	
27. Vehicle rent or lease payments	
28. Add lines 25, 26, and 27	563.
29. Interest expense (business portion)	
30. Taxes and licenses (business portion)	
31. Personal property taxes (Schedule A)	

12/31/05

2005 Federal Depreciation Schedule

P

MICHAEL S SMITH

3/23/06.

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Dep'r Allow	Prior 179/ Bonus/ Sp. Dep'r	Prior Dep. Basis	Salvage /Basis Reductn.	Prior Dep'r	Method	Life
Schedule C - FLOWERS BAKING BREAD ROUTE													
Amortization													
1	Flowers Route #2100	8/02/03		48,840					48,840		4,610	S/L	15
	Total Amortization			48,840		0	0	0	48,840	0	4,610		
	Total Depreciation			0		0	0	0	0	0	0		
	Grand Total Amortization			48,840		0	0	0	48,840	0	4,610		
	Grand Total Depreciation			0		0	0	0	0	0	0		

Filing Status and Exemptions		Relationship	
1	<input type="radio"/> \$1,500 Single	5	Parent
2	<input type="radio"/> \$3,000 Married filing joint return (even if only one spouse had income).		
3	<input type="radio"/> \$1,500 Married filing separate return. Complete line 5 with spouse's name and SSN.		
4	<input checked="" type="radio"/> \$3,000 Head of family (with qualifying person). (See instructions.) Complete line 5.		

Income and Adjustments		Alabama tax withheld		B - Income	
6	Wages, salaries, tips, etc. (list each employer and address separately):	6a	00	6a	00
		6b	00	6b	00
		6c	00	6c	00
		6d	00	6d	00
7	Interest and dividend income (also attach Schedule B if over \$1,500) . . . . .	7	104		00
8	Other income (from page 2, Part I, line 9) . . . . .	8	30,240		00
9	Total income. Add amounts in the income column for line 6a through line 8. . . . .	9	30,344		00
10	Total adjustments to income (from page 2, Part II, line 8) . . . . .	10	500		00
11	Adjusted gross income. Subtract line 10 from line 9 . . . . .	11	29,844		00

Deductions		Box a or b MUST be checked	
12	Check box a, if you itemize deductions, & enter amount from Sch A, line 26		
	Check box b, if you do not itemize deductions, and enter standard deduction		
	<input checked="" type="radio"/> a Itemized Deductions . . . . . <input type="radio"/> b Standard Deduction	12	7,032
13	Federal tax deduction (see instructions) . . . . .	13	1,850
14	Personal exemption (from line 1, 2, 3, or 4) . . . . .	14	3,000
15	Dependent exemption (from page 2, Part III, line 2) . . . . .	15	300
16	Total deductions. Add lines 12, 13, 14, and 15 . . . . .	16	12,182
17	Taxable income. Subtract line 16 from line 11 . . . . .	17	17,662
18	Income tax due. Enter here and check if from <input type="checkbox"/> Form NOL-85A . . . . .	18	843
19	Less credits from: <input checked="" type="checkbox"/> Schedule CR and/or <input type="checkbox"/> Schedule OC . . . . .	19	843
20a	Net tax due Alabama. Subtract line 19 from line 18 . . . . .	20a	0
20b	Consumer Use Tax (use worksheet in the instructions) . . . . .	20b	0
21	You may make a voluntary contribution to any of the following: Alabama Election Campaign Fund, or the Neighbors Helping Neighbors Fund.	21a	0
	a AL Democratic Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input checked="" type="checkbox"/> none . . . . .	21b	0
	b AL Republican Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input checked="" type="checkbox"/> none . . . . .	21c	0
22	Total tax liability and voluntary contribution. Add lines 20a, 20b, 21a, 21b, and 21c . . . . .	22	0
23	Alabama income tax withheld (from Forms W-2, W-2G, and/or 1099) . . . . .	23	00
24	Amount paid with extension (attach Form 4868A) . . . . .	24	00
25	2005 estimated tax payments (see instructions) . . . . .	25	00
26	Total payments. Add lines 23 through 25 . . . . .	26	00
27	If line 22 is larger than line 26, subtract line 26 from line 22, and enter AMOUNT YOU OWE. Place payment, along with Form 40V, loose in mailing envelope. (FORM 40V MUST ACCOMPANY PAYMENT.)	27	00
28	Estimated tax penalty. Also include on line 27 (see instructions) . . . . .	28	00
29	If line 26 is larger than line 22, subtract line 22 from line 26, & enter amount OVERPAID. . . . .	29	00
30	Amount of line 29 to be applied to your 2006 estimated tax . . . . .	30	00
31	You may donate all or part of your overpayment. (Enter \$1, \$5, \$10, \$25, none, or other amt. in appropriate boxes).		
a	Senior Services Trust Fund . . . . .		00
b	AL Arts Development Fund . . . . .		00
c	AL Nongame Wildlife Fund . . . . .		00
d	Child Abuse Trust Fund . . . . .		00
e	AL Veterans Program . . . . .		00
f	AL Indian Children's Scholarship Fund . . . . .		00
g	Penny Trust Fund . . . . .		00
h	Foster Care Trust Fund . . . . .		00
i	Mental Health . . . . .		00
j	AL Breast and Cervical Cancer Program . . . . .		00
k	AL 4-H Club . . . . .		00
32	Total. Add line 30 and lines 31a, b, c, d, e, f, g, h, i, j, k . . . . .	32	00
33	REFUNDED TO YOU. (CAUTION: You must sign this return on page 2.) Subtract line 32 from line 29. For Direct Deposit, check here <input type="checkbox"/> and complete Part V, Page 2 . . . . .	33	00

**PLEASE**

- Verify your social security number
- Recheck your math
- Sign return on page 2
- Attach W-2 form(s)



Other income (see instructions)	4 a Total IRA distributions. <span style="float:right">4a • 00</span> 5 a Total pension & annuities. <span style="float:right">5a • 00</span> 6 Rents, royalties, partnerships, estates, trusts, etc (attach Schedule E).. 7 Farm income or (loss) (attach Federal Schedule F) .. 8 Other income (state nature and source — see instructions) ..	4b • 00 5b • 00 6 • 00 7 • 00 8 • 00 9 • 30,240 00																									
9 Total other income. Add lines 1 through 8. Enter here and also on page 1, line 8																											
<b>PART II</b>	1 a Your IRA deduction. b Spouse's IRA deduction 2 Payments to a Keogh retirement plan and self-employment SEP deduction. 3 Penalty on early withdrawal of savings 4 Alimony paid. Recipient's last name _____ SSN • _____ Address _____ 5 Adoption expenses. 6 Moving Expenses (att Federal Form 3903) to City _____ State _____ ZIP _____ 7 Self-employed health insurance deduction. 8 Total adjustments. Add lines 1 through 7. Enter here and also on page 1, line 10	1a • 500 00 1b • 00 2 • 00 3 • 00 4 • 00 5 • 00 6 • 00 7 • 00 8 • 500 00																									
Adjustments to income (see instructions)																											
<b>PART III</b>	1 a Dependents: <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:40%;">(1) First name</th> <th style="width:20%;">Last name</th> <th style="width:20%;">(2) Dependent's social security number.</th> <th style="width:20%;">(3) Dependent's relationship to you.</th> <th style="width:20%;">(4) Did you provide more than one-half dependent's support?</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td>Parent</td> <td>Yes</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table> b Total number of dependents claimed above. <span style="float:right">1</span> 2 Amount allowed. (Multiply \$300 by the total number of dependents claimed on line 1b.) <span style="float:right">300 00</span>		(1) First name	Last name	(2) Dependent's social security number.	(3) Dependent's relationship to you.	(4) Did you provide more than one-half dependent's support?				Parent	Yes															
(1) First name	Last name	(2) Dependent's social security number.	(3) Dependent's relationship to you.	(4) Did you provide more than one-half dependent's support?																							
			Parent	Yes																							
Dependents  Do not include yourself or your spouse (see instructions)																											
<b>PART IV</b>	1 Residency <input checked="" type="checkbox"/> Full Year If you were a part-year resident of AL during 2005, indicate your period of residence: Check only one box <input type="checkbox"/> Part Year From _____ 2005 through _____ 2005. Total months _____ 2 Did you file an Alabama income tax return for the year 2004? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 3 If no, state reason. _____ 4 Give name and address of present employer(s): Yours <u>FLOWERS BAKING CO. OF OPELIKA 101 SIMMONS STREET OPELIKA AL 36801</u> Your spouse's _____ 5 Enter the Federal Adjusted Gross Income • \$ 29,844. and Federal Taxable Income • \$ 16,144. as reported on your 2005 Federal Individual Income Tax Return. 6 Do you have income which is reported on your Federal return, but not reported on your AL return (other than your state tax refund)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, enter source(s) and amount(s) below: (other than state income tax refund) Source _____ Amount • 00 Source _____ Amount • 00																										
General Information  All Taxpayers Must Complete This Section																											
<b>PART V</b>	For Direct Deposit of your refund, complete 1, 2, and 3 below (See Instructions) 1 Routing Number: _____ 2 Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings 3 Account Number: _____ <input checked="" type="checkbox"/> I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer. Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Your signature _____ Date _____ Daytime telephone number _____ Your occupation <b>SALESMAN</b> Spouse's Signature (if joint return, BOTH must sign) _____ Date _____ Daytime telephone number _____ Spouse's occupation _____																										
Direct Deposit																											
Sign Here																											
Keep a copy of this return for your records.																											
<b>Paid Preparer's Use Only</b>	Preparer's signature <u>Alexander G Walton</u> Date <u>3/23/06</u> Check if self-employed <input type="checkbox"/> Firm's name (or yours if self-employee and address) _____ Tel No. <u>(334) 444-4332</u> Preparer's SSN or PTIN _____ EIN _____ ZIP Code <u>36831-3404</u>																										
WHERE TO FILE FORM 40	If an addressed envelope comes with your return, please use it and follow the instructions on the envelope. If you do not have one, mail your return to one of the addresses below. If you are not making a payment, mail your return to: <b>Alabama Department of Revenue</b> <b>P.O. Box 154</b> <b>Montgomery, Alabama 36135-0001</b> Mail only your 2005 Form 40 to one of the above addresses. Prior year returns, amended returns, and all other correspondence should be mailed to Alabama Department of Revenue, P.O. Box 327464, Montgomery, AL 36132-7464 If you are making a payment, mail your return, Form 40V, and payment to: <b>Alabama Department of Revenue</b> <b>P.O. Box 2401</b> <b>Montgomery, Alabama 36140-0001</b>																										

Name(s) as shown on Form 40

Your social security number

**MICHAEL S SMITH**

The itemized deductions you may claim for the year 2005 are similar to the itemized deductions claimed on your Federal return, however, the amounts may differ. Please see instructions before completing this schedule. **PART-YEAR RESIDENTS:** A resident of Alabama for only a part of the year should list below only those deductions actually paid while a resident of Alabama.

<b>Medical and Dental Expenses</b> (See instructions)		<b>CAUTION: Do not include expenses reimbursed or paid by others.</b>				
1	Medical and dental expenses	1		4,138	00	
2	Enter amount from Form 40, line 11	2	29,844	00		
3	Multiply the amount on line 2 by 4% (.04). Enter the result.	3		1,194	00	
4	Subtract line 3 from line 1. Enter the result. If zero or less, enter -0-	4		2,944	00	
<b>Taxes You Paid</b> (See instructions)		5	Real estate taxes	448	00	
6	FICA Tax (Social Security & Medicare) and Federal Self-Employment Tax	6		3,488	00	
7	Railroad Retirement (Tier 1 only)	7			00	
8	Other taxes. (List — include personal property taxes.) <b>Personal Property Taxes</b>	8		127	00	
9	Add the amounts on lines 5 through 8. Enter the total here.	9		4,063	00	
<b>Interest You Paid</b> (See instructions)		10a	Home mortgage interest & points reported to you on Federal Form 1098.		00	
<b>NOTE:</b> Personal interest is not deductible.		b	Home mortgage int not reported to you on Fed Form 1098. (If paid to an individual, show that person's name & addr.)			
10b		10b			00	
11	Points not reported to you on Form 1098.	11			00	
12	Investment interest (Attach Form 4952A)	12			00	
13	Add the amounts on lines 10a through 12. Enter the total here.	13			00	
<b>Gifts to Charity</b> (See instructions)		<b>CAUTION: If you made a charitable contribution and received a benefit in return, see instructions.</b>				
14	Contributions by cash or check	14		25	00	
15	Other than cash or check. (You MUST att Fed Form 8283 if over \$500.)	15			00	
16	Carryover from prior year	16			00	
17	Add the amounts on lines 14 through 16. Enter the total here	17		25	00	
<b>Casualty and Theft Loss</b> (Attach Form 4684)		18a	Enter the amount from Federal Form 4684, line 16 (See instructions).		00	
		b	Enter 10% of your adjusted gross income (Form 40, line 11).		00	
		c	Subtract line 18b from line 18a. If zero or less, enter -0-		00	
		18c			00	
<b>Job Expenses and Most Other Miscellaneous Deductions</b> (See instructions)		19	Unreimbursed employee expenses — job travel, union dues, job education, etc (You MUST attach Federal Form 2106 if required. See instructions.)		00	
20	Other expenses (investment, tax preparation, safe deposit box, etc). List type and amount	20			00	
21	Add the amounts on lines 19 and 20. Enter the total	21			00	
22	Multiply the amount on Form 40, line 11 by 2% (.02). Enter the result here	22			00	
23	Subtract line 22 from line 21. Enter the result. If zero or less, enter -0-	23			00	
<b>Other Miscellaneous Deductions</b>		24	Other (from list in instructions). List type and amount			
		24			00	
<b>Qualified Long-Term Care Ins Premiums</b>		<b>CAUTION: Do not include medical premiums.</b>				
25	Enter amount here	25			00	
<b>Total Itemized Deductions</b>	26	Add the amounts on lines 4, 9, 13, 17, 18c, 23, 24 and 25. Enter the total here. Then enter on Form 40, page 1, line 12.	26		7,032	00

Schedule A (Form 40) 2005

**If you received more than \$1,500 of interest and dividend income, you must complete Schedule B.**

**INTEREST INCOME.** All interest received should be itemized on Schedule B. List all interest received on bank deposits, notes, mortgages, bonds, and other evidences of indebtedness, including bonds of the United States, and any state or territory and the political subdivisions thereof. All interest received is taxable except: (a) interest on obligations of the United States or its possessions; or (b) interest on obligations of the State of Alabama or any county, municipality, or other political subdivisions thereof.

Enter the amount of all exempt interest in column A headed 'Exempt Interest.' Taxable interest should be entered in column B.

**DIVIDENDS.** All dividends including liquidating dividends received are taxable. Gain or loss on liquidating dividends should be reported on Schedule D. Dividends from savings and loan associations are taxable. Dividends from tax-option corporations (Subchapter S) are taxable when actually received.

List Payers and Amounts		A Exempt Interest		B Taxable Interest and Dividends	
I N T E R E S T	1 FARMERS & MERCHANTS BANK		00		101 00
			00		00
			00		00
			00		00
			00		00
		1	00	1	00
			00		00
			00		00
			00		00
			00		00
	Subtotal		00		101 00
D I V I D E N D S	2 WALMART, INC. ASOP				3 00
					00
					00
					00
				2	00
					00
					00
					00
					00
		Subtotal			
3 TOTAL TAXABLE INTEREST AND DIVIDENDS. Enter here and on Form 40, page 1, line 7				3	104 00

**SCHEDULE CR – Credit for Taxes Paid to Other States**

This credit is available to those residents of Alabama who are being taxed by Alabama and another state (or territory of the United States) in the same tax year. The income earned in the other state must be reported on the Alabama return to claim this credit. Residents of Alabama for only a part of the year can claim this

credit **only** if the returns filed with Alabama and the other state cover the same periods. This credit is available for the year for which the income is taxed by the other state. If you are claiming credit for taxes paid to more than one other state, you must make a separate computation for each state using Schedule CR worksheet.

**PLEASE NOTE:** You may need to fill out the worksheet in the instructions before completing this schedule. This credit will **NOT** be allowed unless you file a nonresident income tax return with the other state and attach a copy of that 2005 return to your Alabama return.

1	2005 taxable income as shown on the <u>Georgia</u> state return . . . . . (name of state)	1	39,572	00	If more than one 'other' state uses Schedule CR worksheet. If using the worksheet, line 5 (below) will equal worksheet Part 5, line 21.
2	Tax due the other state using Alabama tax rates . . . . .	2	1,938	00	
3	Tax due the other state as shown on that state's return or Form W-2G	3	2,113	00	
4	Tax due Alabama from Form 40, page 7, line 18.	4	843	00	
5	<b>CREDIT ALLOWABLE.</b> Enter the amount from line 2, 3, 4, or the amount from the worksheet in the instructions, whichever is smallest. If you have no other credits, enter amount from line 5 to Form 40, page 7, line 9. If you have other credits, enter the amount from line 5 to Schedule CC, Part A, line 1 and complete				5 <div style="float: right;">843 00</div>

Net Profit or Loss From Sale of Real Estate, Stocks, Bonds, etc.

(a) Kind of Property	(b) Date Acquired	(c) Date Sold	(d) Amount Received	(e) Depreciation Allowable Since Acquisition	(f) Cost or Other Basis	(g) Subsequent Improvements	(h) Net Profit or (Loss) (Columns d and e less Columns f and g)
.585 Shs Walmart, Inc.	Various	3/15/05	30		22		8 00
							00
							00
							00
							00
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							00
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							00
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							00
							00
							00
							00
							00
<b>1 TOTAL NET PROFIT OR (LOSS).</b> Enter here and on Form 40, page 2, Part I, line 3							8 00

Schedule D (Form 40) 2005

Name of proprietor: **MICHAEL S. SMITH** Social security number (SSN):

**A** Principal business or profession, including product or service (see instructions): **BREAD SALESMAN** **B** Enter code from instructions: **722300**

**C** Business name, if no separate business name, leave blank: **FLOWERS BAKING BREAD ROUTE** **D** Employer ID number (EIN), if any:

**E** Business address (including suite or room no.):  
City, town or post office, state, and ZIP code:

**F** Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify):

**G** Did you 'materially participate' in the operation of this business during 2005? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

**H** If you started or acquired this business during 2005, check here:

**Part I Income**

<b>1</b> Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. <input checked="" type="checkbox"/>	<b>1</b>	65,346.
<b>2</b> Returns and allowances	<b>2</b>	
<b>3</b> Subtract line 2 from line 1.	<b>3</b>	65,346.
<b>4</b> Cost of goods sold (from line 42 on page 2).	<b>4</b>	-20.
<b>5</b> <b>Gross profit.</b> Subtract line 4 from line 3.	<b>5</b>	65,366.
<b>6</b> Other income, including Federal and state gasoline or fuel tax credit or refund.	<b>6</b>	300.
<b>7</b> <b>Gross income.</b> Add lines 5 and 6.	<b>7</b>	65,666.

**Part II Expenses.** Enter expenses for business use of your home only on line 30.

<b>8</b> Advertising.	<b>8</b>		<b>18</b> Office expense	<b>18</b>	
<b>9</b> Car and truck expenses (see instructions)	<b>9</b>	12,169.	<b>19</b> Pension and profit-sharing plans	<b>19</b>	
<b>10</b> Commissions and fees.	<b>10</b>		<b>20</b> Rent or lease (see instructions):		
<b>11</b> Contract labor (see instructions).	<b>11</b>		<b>a</b> Vehicles, machinery, and equipment.	<b>20a</b>	7,026.
<b>12</b> Depletion.	<b>12</b>		<b>b</b> Other business property.	<b>20b</b>	1,352.
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	<b>13</b>		<b>21</b> Repairs and maintenance	<b>21</b>	1,084.
<b>14</b> Employee benefit programs (other than on line 19)	<b>14</b>		<b>22</b> Supplies (not included in Part III)	<b>22</b>	1,419.
<b>15</b> Insurance (other than health).	<b>15</b>	1,984.	<b>23</b> Taxes and licenses	<b>23</b>	347.
<b>16</b> Interest:			<b>24</b> Travel, meals, and entertainment:		
<b>a</b> Mortgage (paid to banks, etc.)	<b>16a</b>		<b>a</b> Travel.	<b>24a</b>	
<b>b</b> Other	<b>16b</b>	5,344.	<b>b</b> Deductible meals and entertainment	<b>24b</b>	
<b>17</b> Legal & professional services	<b>17</b>		<b>25</b> Utilities	<b>25</b>	
<b>28</b> <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27 in columns.	<b>28</b>	35,434.	<b>26</b> Wages (less employment credits)	<b>26</b>	
<b>29</b> Tentative profit (loss). Subtract line 28 from line 7.	<b>29</b>	30,232.	<b>27</b> Other expenses (from line 48 on page 2)	<b>27</b>	4,709.
<b>30</b> Expenses for business use of your home. Attach Form 8829	<b>30</b>				
<b>31</b> <b>Net profit or (loss).</b> Subtract line 30 from line 29.	<b>31</b>	30,232.			

• If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

**32** If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

**32a** ☐ All investment is at risk.

**32b** ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2005

35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation.	35	
36	Purchases less cost of items withdrawn for personal use	36	
37	Cost of labor. Do not include any amounts paid to yourself.	37	
38	Materials and supplies	38	
39	Other costs	39	-20.
40	Add lines 35 through 39	40	-20.
41	Inventory at end of year	41	
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.	42	-20.

**Part IV Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) 1/02/02

44 Of the total number of miles you drove your vehicle during 2005, enter the number of miles you used your vehicle for:  
a Business 1,301 b Commuting \_\_\_\_\_ c Other 6,349

45 Do you (or your spouse) have another vehicle available for personal use? ☒ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours? ☒ Yes ☐ No

47 a Do you have evidence to support your deduction? ☒ Yes ☐ No  
b If 'Yes,' is the evidence written? ☒ Yes ☐ No

**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

Accounting	240.
Administration	520.
Amortization	3,256.
Relief Driver	50.
Telephone	643.
48 Total other expenses. Enter here and on page 1, line 27	4,709.



3/23/06

06.23PM

## IRA Deduction Worksheet (Form 40, Part II, Line 1)

Taxpayer

1. Were you covered by a retirement plan?  
 YES (for either if MFJ). Go to line 2.  
 NO (for both if MFJ). Skip lines 2-6.  
 Enter \$4,000 (or \$4,500 if age 50 or older)  
 on line 7. Then go to line 8. No
2. Enter the threshold for your filing status.
3. Enter total income (before adjustments).
4. Add adjustments to income (other than  
 the IRA deduction).
5. Subtract line 4 from line 3 (not < 0).
6. Subtract line 5 from line 2 (not < 0).
7. Multiply line 6 by 40% (or by 45% if age  
 50 or over). Round up to the next multiple  
 of \$10. If the result is more than zero and  
 less than \$200, enter \$200. If the result is  
 more than \$4,000 (or \$4,500 if age 50 or older),  
 enter \$4,000 (or \$4,500). 4,000.
8. Enter wages and other earned income,  
 minus 1/2 S.E. tax and Keogh/SEP/SIMPLE.  
 Do not reduce wages by any loss from  
 self-employment. 30,232.
- Deductible IRA Contributions:
9. Enter IRA contributions you made, or  
 will make by April 17, 2006, for 2005. 500.
10. Enter the smallest of line 7, 8 or 9.  
 This is the most you can deduct on  
 Form 40, Part II, line 1. 500.
- Nondeductible IRA Contributions:
11. Subtract line 10 from the smaller of line  
 8 or line 9. Enter the part you choose to  
 make nondeductible on Form 8606, line 1. 0.

12/31/05

# 2005 Alabama Depreciation Schedule

MICHAEL S SMITH

3/23/06

061

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depn. Allow	Prior 179/ Bonus/ Sn Depn	Prior Dep. Bal Depn.	Salvage 7Basis Reductn	Depn. Basis	Prior Depn	Method	Life	Rate	Cur Depn

Schedule C FLOWERS BAKING BREAO ROUTE

Amortization

1	Flowers Route #2100	8/02/03		48,840							48,840	4,610		S/L	15	
	Total Amortization			48,840		0	0	0	0	0	48,840	4,610				
	Total Depreciation			0		0	0	0	0	0	0	0				
	Grand Total Amortization			48,840		0	0	0	0	0	48,840	4,610				
	Grand Total Depreciation			0		0	0	0	0	0	0	0				



**Georgia Form 500** (Rev 6/05)  
 Individual Income Tax Return  
 Georgia Department of Revenue  
**2005** (Approved software version)

☒ Check if you DO NOT want a booklet next year

DEL ☐ EXT ☐

Fiscal Year Beginning Fiscal Year Ending  
 1 Your First Name Initial Your Social Security Number  
 MICHAEL S  
 Your Last Name Suffix  
 SMITH  
 Spouse's First Name Initial Spouse's Social Security Number  
 Spouse's Last Name Suffix

DEPARTMENT USE ONLY
---------------------

2 Address (Check if Address has Changed) (Use 2nd address line for Apt, Suite, Unit or Bldg number)

3 City LAFAYETTE State AL Zip Code 36862

GAIA0112L 12/06/05

Country (if Foreign)  
 4 Enter your Residency Status with the appropriate number  
 1 Full-Year Resident 2 Part-Year Resident from to 3 Nonresident  
 Part-Year Residents and Nonresidents must omit Lines 9 thru 14 and use Schedule 3 of Form 500, page 4  
 5 Enter Filing Status with appropriate letter (Must be the same status used on your Federal Return)  
 A Single C Married filing separate (Spouse's social security number must be entered above)  
 B Married filing joint D Head of Household or Qualifying Widow(er)

6 Number of exemptions (Check appropriate box(es) and enter total in 6c.) 6a Yourself ☒ 6b Spouse 6c 1  
 Dependents — (If you have more than 3 dependents, attach a list of additional dependents)  
 First Name Last Name Dependent's SSN Relationship to You  
 PARENT

7a Number of Dependents (DO NOT include yourself or your spouse) 7a 1  
 7b Add Lines 6c and 7a. Enter total 7b 2

8 Federal adjusted gross income (From Federal Form 1040, 1040A or 1040EZ) 8 29844.

(Do not use FEDERAL TAXABLE INCOME)

If the amount on Line 8 is \$40,000 or more, or your gross income is less than your W-2s, you must enclose a copy of your Federal Form 1040 pages 1 and 2. Do not enclose other Federal Schedules

9 Adjustments from Schedule 1 (See instructions) 9  
 10 Georgia adjusted gross income (Net total of Line 8 and Line 9) 10  
 11 Standard Deduction (Do not use FEDERAL STANDARD DEDUCTION) see instructions 11a  
 b Self: 65 or over? Blind? Spouse: 65 or over? Blind?  
 Total of Boxes x 1,300 = 11b  
 c Total Standard Deduction (Line 11a + Line 11b) 11c  
 Use EITHER Line 11c OR Line 12 (Do not write on both lines)  
 12 Total Itemized Deductions used in computing Federal Taxable Income, if you use itemized deductions, you must enclose Federal Schedule A

Georgia Form 500 Page 2  
Individual Income Tax Return  
Georgia Department of Revenue  
2005

Your Social Security Number

13	Subtract either Line 11c or Line 12 from Line 10; enter balance	▶ 13	
14a	Number on Line 6c multiplied by \$2,700	14a	
14b	Number on Line 7a multiplied by \$3,000	14b	
14c	Add Lines 14a and 14b. Enter total	▶ 14c	
15	Georgia taxable income (Line 13 less Line 14c or Schedule 3, Line 14)	▶ 15	39572.
16	Tax (Use Tax Table in the instructions)	▶ 16	2113.
17	Credits from Schedule 2, Page 3 (Enter total but not more than the amount on Line 16)	▶ 17	
18	Balance (Line 16 less Line 17) if zero or less than zero, enter zero	▶ 18	2113.
19	Georgia Income Tax Withheld (Enter Tax Withheld Only and enclose withholding statements)	▶ 19	
20	Estimated Tax for 2005 and Form IT-550	▶ 20	960.
21	Low Income Credit (See worksheet on page 11)	21a ▶ 21b ▶ ▶ 21c	
22	Department Use Only	DO NOT WRITE IN THIS BOX	
23	Total prepayment credits (Add Lines 19, 20 and 21c)	▶ 23	960.
24	If Line 18 exceeds Line 23 enter BALANCE DUE STATE	▶ 24	1153.
25	If Line 23 exceeds Line 18 enter OVERPAYMENT amount	▶ 25	
26	Amount to be credited to 2006 ESTIMATED TAX	▶ 26	
27	Georgia Wildlife Conservation Fund (No gift of less than \$1.00)	▶ 27	
28	Georgia Children and Elderly Fund (No gift of less than \$1.00)	▶ 28	
29	Georgia Cancer Research Fund (No gift of less than \$1.00)	▶ 29	
30	Georgia Greenspace Trust Fund (No gift of less than \$1.00)	▶ 30	
31	Georgia National Guard Foundation (No gift of less than \$1.00)	▶ 31	
32	Form 500 UET (Estimated tax penalty)	▶ 32	29.
33	(If you owe) Add Lines 24, and Lines 27 thru 32 THIS IS THE AMOUNT YOU OWE.	▶ 33	1182.

Complete and mail Form 525-TV with return and payment

DO NOT STAPLE OR PAPER CLIP YOUR CHECK, W-2'S OR TAX RETURN. ENCLOSE ALL ITEMS IN THE RETURN ENVELOPE.

(If you are due a refund) Subtract the sum of Lines 26 thru Line 32 from Line 25

34 THIS IS YOUR REFUND... ▶ 34

REFUNDS TO:  
GEORGIA DEPARTMENT OF REVENUE  
PROCESSING CENTER  
P.O. BOX 740380  
ATLANTA, GA 30374-0380

PAYMENTS AND TAX RETURNS TO:  
GEORGIA DEPARTMENT OF REVENUE  
PROCESSING CENTER  
P.O. BOX 740399  
ATLANTA, GA 30374-0399

GA/A0112L 12/06/05

Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia.

Under penalty of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Taxpayer's Signature (Check if deceased)

Date

Daytime Phone Number

☒ Check the box to authorize the Georgia Department of Revenue to discuss the contents of this tax return with the preparer named below

Spouse's Signature (Check if deceased)

Date

Alexander Walton PC  
Alexander G Walton

Name of Preparer if other than taxpayer

Phone Number

Alexander G Walton  
Signature of Preparer

**SCHEDULE 3 COMPUTATION OF GEORGIA TAXABLE INCOME FOR PART-YEAR RESIDENTS AND NONRESIDENTS**  
Income earned in another state as a Georgia resident is taxable but other state(s) tax credit may apply. See instructions.

**DO NOT USE LINES 9 THRU 14 OF PAGES 1 AND 2, FORM 500**

	Federal Income after Georgia Adjustments	Income not Taxable to Georgia	Georgia Income
	COLUMN A	COLUMN B	COLUMN C
1 Wages, Salaries, Tips, etc.			
2 Interest and Dividends	104.		104.
3 Business Income or (Loss)	30232.	-17728.	47960.
4 Other Income or (Loss)	8.		8.
5 Total Income: Total Lines 1 thru 4.	30344.	-17728.	48072.
<b>ADJUSTMENTS TO INCOME</b>			
6 Total adjustment from Federal Form 1040	500.		500.
7 Total adjustment from Form 500, Schedule 1, Page 3. (See instructions)			
8 Adjusted Gross Income: Line 5 plus or minus Lines 6 and 7.	29844.	-17728.	47572.
9 RATIO: Divide Line 8, Column C by Line 8, Column A. Enter percentage		100	% Not to exceed 100%
10 Itemized or Standard Deduction (See instructions)		2300.	
11 Personal Exemption from Form 500, Page 1 (See instructions)			
11a Number on Line 6c 1 multiplied by \$2,700		2700	
11b Number on Line 7a 1 multiplied by \$3,000		3000	
11c Add lines 11a and 11b. Enter total.		5700.	
12 Total Deductions and Exemptions: Add Lines 10 and 11c.		8000.	
13 Multiply Line 12 by Ratio on Line 9 and enter result			8000.
14 Georgia Taxable Income: Subtract Line 13 from Line 8, Column C Enter here and on Page 2, Line 15 of Form 500			39572.

List the state(s) in which the income in Column B was earned and/or to which it was reported.

1 ALABAMA	4
2	5
3	6

Department of Revenue Income Tax Division Rev. 12/04		UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS/FIDUCIARY (Attach this form to Form 500 or 501)				YEAR		
NAME(S) AS SHOWN ON FORM 500/501 <b>MICHAEL S SMITH</b>					SOCIAL SECURITY OR ID NUMBER			
<b>HOW TO FIGURE YOUR UNDERPAYMENT (Complete Lines 1 through 5)</b>								
<b>2005</b>								
<b>1</b> Tax (from Form 500 Line 16 or Form 501 Line 8)					2,113.			
<b>2</b> Other Credits (from Form 500 Line 17 or Form 501 Line 9)								
<b>3</b> Balance Due (Line 1 less Line 2)					2,113.			
<b>4</b> Enter 100% of the Immediately Preceding Year's Tax (return must be for a 12-month period)					1,285.			
<b>5</b> Enter 70% of the Amount Shown on Line 3					1,479.			
<b>DUE DATE OF INSTALLMENTS</b>								
					April 15, 2005	June 15, 2005	Sept. 15, 2005	Jan. 15, 2006
<b>6</b> Divide amount on Line 4 by the number of installments required for the year (see Instruction B); enter the results in appropriate columns					322.	321.	321.	321.
<b>7</b> Divide amount on Line 5 by the number of installments required for the year (see instruction B); enter the results in the appropriate column					369.	370.	370.	370.
<b>8</b> Enter the lesser of line 6 or line 7 for each period in the appropriate column					322.	321.	321.	321.
<b>9</b> Amounts paid on estimate for each period and tax withheld						320.	320.	320.
<b>10</b> Overpayment of previous installment (see instruction E)								
<b>11</b> Total of Line 9 and Line 10						320.	320.	320.
<b>12</b> Underpayment (Line 8 less Line 11) or Overpayment (Line 11 less Line 8)					322.	1.	1.	1.
<b>EXCEPTIONS WHICH AVOID THE PENALTY (See Instruction D)</b> (Farmers and fishermen see Instruction G for special exception)								
<b>13</b> Total amount paid and withheld from January 1, through the installment date indicated						320.	640.	960.
<b>14</b> Exception 1 — Tax on prior years income using current year rates and exemptions								
<b>15</b> Exception 2 — Tax on annualized current year income								Not
<b>16</b> Exception 3 — Tax on current year's income over 3, 5, 8, month periods								Applicable
<b>HOW TO FIGURE THE PENALTY</b> (Complete Lines 17 through 21 for installments not avoided by an exception)								
<b>17</b> Amount of underpayment (from Line 12)								
<b>18</b> Date of payment or _____ whichever is earlier (See Instruction F)					See Attached Worksheet			
<b>19</b> Number of days from due date of installment to date shown on Line 18								
<b>20</b> Penalty (9 percent a year on amount shown on Line 17 for the number of days shown on Line 19)					4.66	7.29	9.75	7.12
<b>21</b> Penalty (Add amounts on Line 20) show this amount in the space provided on Form 500/501					29.			

Required Installment	Payment			Penalty				
	Date	Type *	Amount	Underpayment	Days Late	Rate	Amount of Penalty **	Penalty per Period
First Qtr								
322.	4/15/05			322.	58	0.090	4.61	
	6/12/05	3	320.	2.	94	0.090	0.05	
	9/14/05	3	2.					
Total								4.66
Second Qtr								
321.	6/15/05			321.	91	0.090	7.20	
	9/14/05	3	318.	3.	109	0.090	0.08	
Total								7.28
Rate Change	1/01/06			3.	14	0.090	0.01	
	1/15/06	3	3.					
Total								0.01
Third Qtr								
321.	9/15/05			321.	108	0.090	8.55	
Total								8.55
Rate Change	1/01/06			321.	14	0.090	1.11	
	1/15/06	3	317.	4.	90	0.090	0.09	
	4/15/06	5	4.					
Total								1.20
Fourth Qtr								
321.	1/15/06			321.	90	0.090	7.12	
	4/15/06	5	321.					
Total								7.12
TOTAL UNDERPAYMENT PENALTY . . . . .								29.
* 1 = Overpayment 2 = Withholding 3 = Estimate 4 = Extension 5 = Paid with return ** Underpayment $\times \frac{\text{Days Late}}{365} \times \text{Rate}$								

Taxpayer's name <b>MICHAEL S SMITH</b>		Social security number
Spouse's name		Spouse's social security number

Part I Tax Return Information – Tax Year Ending December 31, 2005 (Whole Dollars Only)		
1	Adjusted gross income (Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4).	29,844.
2	Total tax (Form 1040, line 63; Form 1040A, line 38; Form 1040EZ, line 10).	1,850.
3	Federal income tax withheld (Form 1040, line 64; Form 1040A, line 39; Form 1040EZ, line 7).	
4	Refund (Form 1040, line 73a; Form 1040A, line 45a; Form 1040EZ, line 11a).	
5	Amount you owe (Form 1040, line 75; Form 1040A, line 47; Form 1040EZ, line 12).	

**Part II Taxpayer Declaration and Signature Authorization (Be sure you get and keep a copy of your return)**

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2005, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts from my electronic income tax return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send my return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my Federal taxes owed on this return and/or a payment of estimated tax and the financial institution to debit the entry to this account. I further understand that this authorization may apply to future Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). In order for me to initiate future payments, I request that the IRS send me a personal identification number (PIN) to access EFTPS. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate this authorization. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment settlement date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

**Taxpayer's PIN: check one box only**

☒ I authorize Alexander Walton PC to enter my PIN \_\_\_\_\_ as my signature \_\_\_\_\_  
ERO firm name do not enter all zeros

on my tax year 2005 electronically filed income tax return.

☐ I will enter my PIN as my signature on my tax year 2005 electronically filed income tax return. Check this box **only** if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature Michael Smith Date 3-23-06

**Spouse's PIN: check one box only**

☐ I authorize \_\_\_\_\_ to enter my PIN \_\_\_\_\_ as my signature \_\_\_\_\_  
ERO firm name do not enter all zeros

on my tax year 2005 electronically filed income tax return.

☐ I will enter my PIN as my signature on my tax year 2005 electronically filed income tax return. Check this box **only** if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's signature \_\_\_\_\_ Date \_\_\_\_\_

**Practitioner PIN Method Returns Only – continue below**

**Part III Certification and Authentication – Practitioner PIN Method Only**

**ERO's EFIN/PIN.** Enter your six-digit EFIN followed by your five-digit self-selected PIN.....

I certify that the above numeric entry is my PIN, which is my signature for the tax year 2005 electronically filed income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.

ERO's signature \_\_\_\_\_ Date \_\_\_\_\_

**ERO Must Retain This Form – See Instructions  
Do Not Submit This Form to the IRS Unless Requested To Do So**

Farmers &amp; Merchants Bank

Payer's  
Fed I.D. No.OMB No.  
Interest Income  
Form 1099-INT  
Copy B  
For Recipient  
For year 2005

MICHAEL SMITH

Recipient's  
Tax I.D. No.

Account Information	Interest Income	Interest on U.S. Bonds & Treas	Federal Tax Withheld
SAV	9.90		
CD	90.72		

-----

BOX 1 Interest income not included in box 3 . . . . . 100.62

BOX 2 Early withdrawal penalty . . . . .

BOX 3 Interest on U.S. Savings Bonds and Treas. obligations

BOX 4 Federal income tax withheld. . . . .

BOX 5 Investment expenses. . . . .

BOX 6 Foreign Tax paid . . . . .

BOX 7 Foreign country or U.S. Possession

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

(Keep for your records.)



Вопросы 16-18

U.S. GOVERNMENT PRINTING OFFICE: 1963 O - 354-100

Box 5 - cont. 1st page of the 2nd of 2 pages of the letter to F. C. C. on 12/1/54

Note: The above information is for informational purposes only and does not constitute an offer of insurance. For more information, please contact your insurance agent.



Copy 2 to be filed with employee's State Income Tax Return. No. 1545-0008

a Control number 0000000400 W53	Dept SV24	Corp. SV24	Employer use only 1362
c Employer's name, address, and ZIP code FLOWERS BAKING CO OF OPELIKA LLC 101 SIMMONS STREET OPELIKA, AL 36801			
e/f Employee's name, address, and ZIP code MICHAEL S SMITH 362			
b Employer's FED ID number		d Eir	
65345.57		2 Federal income tax withheld	
3 Social security wages 45598.87	4 Social security tax withheld 2827.13		
5 Medicare wages and tips 45598.87	6 Medicare tax withheld 661.18		
7 Social security tips	8 Allocated tips		
9 Advance EIC payment	10 Dependent care benefits		
11 Nonqualified plans	12a See instructions for box 12		
14 Other	12b		
	12c		
	12d		
	13 Stat emp/Ret. plan/3rd party sick pay X		
15 State GA	Employer's state ID no. 40M25-D8	16 State wages, tips, etc. 65345.57	
17 State income tax		18 Local wages, tips, etc.	
19 Local income tax		20 Locality name	

MICHAEL S SMITH  
LAFAYETTE, AL 36862

Social Security Number:  
Taxable Marital Status:  
SINGLE  
Exemptions/Allowances:  
Federal: 0  
State: 0  
Local: 0

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Fold and Detach Here → Save 15% on Tax Preparation, learn more at <https://taxpartner.adp.com>

1 Wages, tips, other comp. 65345.57	2 Federal income tax withheld
3 Social security wages 45598.87	4 Social security tax withheld 2827.13
5 Medicare wages and tips 45598.87	6 Medicare tax withheld 661.18
a Control number 0000000400 W53	Dept SV24
Corp. SV24	Employer use only 1362
c Employer's name, address, and ZIP code FLOWERS BAKING CO OF OPELIKA LLC 101 SIMMONS STREET OPELIKA, AL 36801	
b Employer's FED ID number AA 12345678	d Employee's SSA number AA 5544
9 Advance EIC payment	10 Dependent care benefits
11 Nonqualified plans	12a See instructions for box 12
14 Other	12b
	12c
	12d
	13 Stat emp/Ret. plan/3rd party sick pay X
e/f Employee's name, address and ZIP code MICHAEL S SMITH	
15 State GA	Employer's state ID no. 40M25-D8
16 State wages, tips, etc. 65345.57	
17 State income tax	
18 Local wages, tips, etc.	
19 Local income tax	
20 Locality name	

GA. State Filing Copy  
**W-2** Wage and Tax Statement  
OMB No. 1545-0008  
Copy 2 to be filed with employee's State Income Tax Return.

FOLD AND DETACH HERE

FOLD AND DETACH HERE

**Box 11.** This amount is reported in box 11 if it is a distribution made to you from a nonqualified deferred compensation or nongovernmental section 457(b) plan or (b) included in box 3 and/or if it is a plan that became taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount.

**Box 12.** The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, and S) under all plans are generally limited to a total of \$14,000 (\$17,000 for section 408(b) plans if you qualify for the 15-year rule explained in Pub. 57-1). Deferrals under code G are limited to \$14,000. Deferrals under code H are limited to \$7,000. However, if you were at least age 50 in 2005, your employer may have allowed an additional deferral of up to \$4,000 (\$2,000 for section 401(k)(11) and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals. For code G, the limit on elective deferrals may be higher for the last three years before you reach retirement age. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit must be included in income. See the "Wages, Salaries, Tips, etc." line instructions for Form 1040.

**Note.** If a year follows code D, E, F, G, H, or S, you made a make-up pension contribution for a prior year(s) when you were in military service. To figure whether you made excess deferrals, consider these amounts for the year shown, not the current year. If no year is shown, the contributions are for the current year.

**A—**Uncollected social security or RRTA tax on tips. Include this tax on Form 1040. See "Total Tax" in the Form 1040 instructions.

**B—**Uncollected Medicare tax on tips. Include this tax on Form 1040. See "Total Tax" in the Form 1040 instructions.

**C—**Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to social security wage base), and 5).

**D—**Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

**E—**Elective deferrals under a section 409(b) salary reduction agreement.

**F—**Elective deferrals under a section 408(k)(6) salary reduction SEP.

**G—**Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan.

**H—**20% excise tax on excess golden parachute payments. See "Total Tax" in the Form 1040 instructions.

**I—**Substantiated employee business expense reimbursements (nontaxable).

**M—**Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See "Total Tax" in the Form 1040 instructions.

**N—**Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See "Total Tax" in the Form 1040 instructions.

**P—**Excludable moving expense reimbursements paid directly to employee (not included in boxes 1, 3, or 5).

**Q—**Nontaxable combat pay. See the instructions for Form 1040 or Form 1040A for details on reporting this amount.

**R—**Employer contributions to your Archer MSA. Report on Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.

**S—**Employee salary reduction contributions under a section 408(p) SIMPLE (not included in box 1).

**T—**Adoption benefits (not included in box 1). You must complete Form 8839, Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.

**V—**Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3 (up to social security wage base), and 5).

**W—**Employer contributions to your Health Savings Account. Report on Form 8889, Health Savings Accounts (HSAs).

**Y—**Deferrals under a section 409A nonqualified deferred compensation plan.

**Z—**Income under section 409A on a nonqualified deferred compensation plan. This amount is also included in box 1. It is subject to an additional 20% tax plus interest. See "Total Tax" in the Form 1040 instructions.

**Box 13.** If the "Retirement plan" box is checked, special limits may apply to the amount of traditional IRA contributions that you may deduct.

**Note:** Keep Copy C of Form W-2 for at least 3 years after the due date for filing your income tax return. However, to help protect your social security benefits, keep Copy C until you begin receiving social security benefits, just in case there is a question about your work record and/or earnings in a particular year. Review the information shown on your annual (for workers over 25) Social Security Statement. This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it. Department of the Treasury - Internal Revenue Service

**Clergy and religious workers.** If you are not subject to social security and Medicare taxes, see Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

**Corrections.** If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. If your name and SSN are correct but are not the same as shown on your social security card, you should ask for a new card at any SSA office or call 1-800-772-1213.

**Credit for excess taxes.** If you had more than one employer in 2005 and more than \$5,580.00 in social security and/or Tier I railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and more than \$2,943.60 in Tier II RRTA tax was withheld, you also may be able to claim a credit. See your Form 1040 or Form 1040A instructions and Publication 505, Tax Withholding and Estimated Tax.

#### Instructions

**Box 1.** Enter this amount on the wages line of your tax return.

**Box 2.** Enter this amount on the federal income tax withheld line of your tax return.

**Box 3.** This amount is not included in boxes 1, 3, 5, or 7. For information on how to report tips on your tax return, see your Form 1040 instructions.

**Box 9.** Enter this amount on the advance earned income credit payments line of your Form 1040 or Form 1040A.

**Box 10.** This amount is the total dependent care benefits that your employer paid to you or incurred on your behalf

**NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.**

Department of the Treasury - Internal Revenue Service

This information is being furnished to the Internal Revenue Service.

#### IMPORTANT NOTE:

In order to insure efficient processing, attach this W-2 to your tax return like this (following city or local instructions):

TAX RETURN	
THIS FORM W-2	OTHER W-2'S

NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

Department of the Treasury - Internal Revenue Service

This information is being furnished to the Internal Revenue Service.

#### IMPORTANT NOTE:

In order to insure efficient processing, attach this W-2 to your tax return like this (following state instructions):

TAX RETURN	
THIS FORM W-2	OTHER W-2'S

NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

Department of the Treasury - Internal Revenue Service

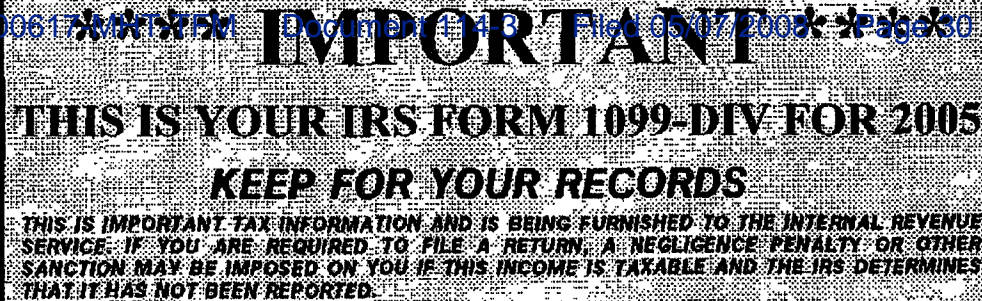
This information is being furnished to the Internal Revenue Service.

#### IMPORTANT NOTE:

In order to insure efficient processing, attach this W-2 to your tax return like this (following IRS instructions):

TAX RETURN	
THIS FORM W-2	OTHER W-2'S

NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.



PAYER'S name, street address, city, state, ZIP code, and telephone no.

WAL-MART INC. ASOP  
P.O. BOX 43080  
PROVIDENCE RI 02940-3080

For inquiry: 800-438-6278

RECIPIENT'S name, street address, city, state, and ZIP code

MICHAEL S SMITH

LAFAYETTE AL 36862

☐ CORRECTED (if checked)**Dividends and Distributions**

<b>1a</b> Total ordinary dividends	<b>1b</b> Qualified dividends
\$ 2.82	\$ 2.82
<b>2a</b> Total capital gain distr.	<b>2b</b> Unrecap. sec. 1250 gain
\$	\$
<b>2c</b> Section 1202 gain	<b>2d</b> Collectibles (28%) gain
\$	\$
<b>3</b> Nondividend distributions	<b>4</b> Federal income tax withheld
\$	\$
<b>5</b> Investment expenses	<b>6</b> Foreign tax paid
\$	\$
<b>7</b> Foreign country or U.S. possession	<b>8</b> Cash liquidation distributions
\$	\$
<b>9</b> Noncash liquidation distributions	<b>PA</b> Federal identification number
\$	
<b>RECIPIENT'S identification number</b>	<b>Account number</b>

OMB No. 1545-0110

**2005****Form 1099-DIV****Copy B  
For Recipient**

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

**Instructions to Recipients**

**Account Number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1a.** Shows total ordinary dividends that are taxable. Include this amount on line 9a of Form 1040 or 1040A. Also, report it on Schedule B (Form 1040) or Schedule 1 (Form 1040A), if required.

The amount shown may be a distribution from an employee stock ownership plan (ESOP). Report it as a dividend on your Form 1040/1040A but treat it as a plan distribution, not as investment income, for any other purpose.

**Box 1b.** Shows the portion of the amount in box 1a that may be eligible for the 15% or 5% capital gains rates. See the Form 1040/1040A instructions for how to determine this amount. Report the eligible amount on line 9b, Form 1040 or 1040A.

**Box 2a.** Shows total capital gain distributions (long-term) from a regulated investment company or real estate investment trust. Report the amounts shown in box 2a on Schedule D (Form 1040) line 13. But, if no amount is shown in boxes 2c-2d and your only capital gains and losses are capital gain distributions, you may be able to report the amounts shown in box 2a on line 13 of Form 1040 (line 10 of Form 1040A) rather than Schedule D. See the Form 1040/1040A instructions.

**Box 2b.** Shows the portion of the amount in box 2a that is unrecaptured section 1250 gain from certain depreciable real property. Report this amount on the Unrecaptured Section 1250 Gain Worksheet-Line 19 in the Schedule D Instructions (Form 1040).

**Box 2c.** Shows the portion of the amount in box 2a that is section 1202 gain from certain small business stock that may be subject to a 50% exclusion. See the Schedule D (Form 1040) instructions.

**Box 2d.** Shows 28% rate gain from sales or exchanges of collectibles. If required, use this amount when completing the 28% Rate Gain Worksheet-Line 18 in the

1273

17717-97362

**Box 3.** Shows the part of the distribution that is non taxable because it is a return of your cost (or other basis). You must reduce your cost (or other basis) by this amount for figuring gain or loss when you sell your stock. But if you get back all your cost (or other basis), report future distributions as capital gains. See Pub. 550, Investment Income and Expenses.

**Box 4.** Shows backup withholding. For example, a payer must backup withhold on certain payments at a 28% rate if you did not give your taxpayer identification number to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 5.** Shows your share of expenses of a nonpublicly offered regulated investment company, generally a nonpublicly offered mutual fund. If you file Form 1040, you may deduct these expenses on the "Other expenses" line on Schedule A (Form 1040) subject to the 2% limit. This amount is included in box 1a.

**Box 6.** Shows the foreign tax you may be able to claim as a deduction or a credit on Form 1040. See the Form 1040 instructions.

**Boxes 8 and 9.** Shows cash and noncash liquidation distributions.

**Nominees.** If this form includes amounts belonging to another person, you are considered a nominee recipient. You must file Form 1099-DIV with the IRS for each of the other owners to show their share of the income, and you must furnish a Form 1099-DIV to each. A husband or wife is not required to file a nominee return to show amounts owned by the other. See the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.

**CLOSING DATE** - The last business day of the statement month.

**PRICE PER SHARE** - The price per share purchased or sold under the Plan.

**TAX WITHHELD** - The amount deducted from the cash dividend and paid to federal and/or state tax authorities. The letter (N) indicates that U.S. tax has been withheld for non-resident aliens or the letter (B) for those participants who are not in compliance with IRS regulations.

**ANNUAL MAINTENANCE FEE** - If you no longer work for Wal-Mart you may continue your account and buy shares without paying a brokerage fee. However, you will be charged \$30 once a year as a maintenance fee. The \$30 fee is automatically deducted from your account in the first quarter of each year by selling a portion of stock equal to \$30. If you do not wish to maintain your account after you leave the company, be sure to call EquiServe.

**SHARE BALANCE** - The number of shares in your account on the closing date.

**VALUE OF SHARES** - The estimated market value of the shares in your account on the closing date. It is the price per share multiplied by the share balance in your account on the closing date.

**LOAN COLLATERAL** - The number of shares held by EquiServe as collateral for a loan granted through the Wal-Mart Loan Program. Although these shares are still owned by you, they are not available for transfer, sale or issuance until your entire loan balance is paid. Loans are limited to associates in the U.S.

**TAX INFORMATION** - All participants will receive a record of dividends paid on a Form 1099-DIV. In addition, a record of all proceeds for shares sold through the Plan will be reported on Form 1099-B. Both forms will be sent once a year. Please note that a sale of shares represents a taxable event for purposes of the Internal Revenue Service.

### GUIDELINES FOR TRANSACTION FORM

**CERTIFICATE ISSUANCE** - Certificates will be registered in the name(s) in which the account is maintained on EquiServe's records. Certificates have monetary value and are negotiable. To avoid loss or theft, please keep them in a safe place!

**VOLUNTARY CASH CONTRIBUTION** - Fill in the amount you wish to invest on the Transaction Form and make your check payable to EquiServe. Be sure to include your Social Security Number on your check.

**CERTIFICATE DEPOSIT** - We suggest you use registered and insured mail when sending certificates for deposit into your Plan account.

**SHARE TRANSFER** - If you want to transfer shares from your account into a different account, please complete the Share Transfer section and have your signature(s) guaranteed. We can transfer shares only to individuals who have an existing account with EquiServe.

**SHARE SALE** - You may sell all or part of your shares held in your account at any time by calling EquiServe. You will be asked your name, Social Security number, PIN, and the number of shares to be sold. If the call is received before 2:00 p.m. Eastern Time (1:00 Central) Monday through Friday, the shares will be sold the same day if the securities market is open for normal business. For calls after 2:00 p.m. (1:00 Central), the transaction will take place the next business day. EquiServe fees and commissions on stock sales will be \$20 per transaction and 10 cents per share sold. You should receive a check representing the proceeds within 7 to 10 business days after the date of sale.

**ADDRESS CHANGES** - To ensure accurate and prompt updating of your new address, address changes should be given to both EquiServe and to your location manager.

**INTERNET ACCOUNT ACCESS** - You can obtain account balances, duplicate forms, and request the sale or issuance of your stock over the Internet at [www.equiserve.com](http://www.equiserve.com). To access your account, a password is required. If you have forgotten or lost your password you can have it reset by calling 1-800-438-6278.

For faster service, certificate issuances, share sales, and address changes can be made by calling our Customer Service Representatives at 800-438-6278.

**Share Transfer:** Transfer shares as follows:

Transfer \_\_\_\_\_ shares into the following account:

Account name \_\_\_\_\_

Account number \_\_\_\_\_

Signature(s) of Plan participant(s):  
\_\_\_\_\_  
\_\_\_\_\_

Affix Medallion Signature Guarantee\* Imprint

Date \_\_\_\_\_ By \_\_\_\_\_

\*Signature guarantees must be obtained from an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union or Savings Association participating in a Medallion program approved by the Securities Transfer Association.

Note: A notary signature guarantee will not be accepted for share transfers.

**Change of Address:**

Participant name \_\_\_\_\_

Account number \_\_\_\_\_

New address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Account Consolidations

If you received more than one statement, please contact EquiServe to consolidate your accounts.

MICHAEL S SMITH  
 & WANDA BRUSHWOOD

LAFAYETTE AL 36862-5604

Issue# Account# Stock Symbol  
 WMT

**SAVE THIS STATEMENT FOR TAX PURPOSES**

**Dividend Information**

Record Date: Dec 16, 2005		Payable Date: Jan 03, 2006		Dividend Option: Full Reinvestment				
Security	RECORD DATE SHARES FOR REINVESTMENT			Rate(\$)	Gross Amount(\$)	Amount Withheld From Gross		Net Amount Reinvested(\$)
	Certificate Shares	Plan Shares	Total Shares			Tax(\$)	Fee(\$)	
COMMON STOCK		4.754	4.754	0.15000	0.71			0.71

**Plan Account Activity**

Date	Description	Fees and/or Commissions(\$)	Net Dollar Amount(\$)	Price per Share(\$)	Transaction Shares	Total Shares Held
01/01/2005	Balance Forward				5.281	5.281
01/03/2005	Common Dividend Purchase		0.69	53.772	0.013	5.294
03/15/2005	Shares Tendered		30.00	51.282	-0.585	4.709
04/04/2005	Common Dividend Purchase		0.71	49.179	0.014	4.723
06/06/2005	Common Dividend Purchase		0.71	47.796	0.015	4.738
09/06/2005	Common Dividend Purchase		0.71	45.218	0.016	4.754
01/03/2006	Common Dividend Purchase		0.71	45.996	0.015	4.769

**Total Holdings and Market Value**

(As of the close of business on 01/03/2006)

Security	Certificate Shares	Plan Shares	Total Shares	Price per Share(\$)	Market Value(\$)
COMMON STOCK		4.769	4.769	46.230	220.47

Access and manage your account online. To login or request your initial password, go to [www.computershare.com/equiserve](http://www.computershare.com/equiserve) and click on "Account Access."

**Messages**

On June 17, 2005, Equiserve was acquired by Computershare. The name 'Computershare' will replace 'EquiServe' on correspondence, statements, and other material you receive in connection with your shareholdings. The combined company is committed to provide the level of shareholder satisfaction that will meet your expectations for quality and timely service.

**WAL-MART** Stores Inc.

Associate Stock Ownership Plan

Mail this form to: Computershare Trust Company, N.A.  
 P.O. Box 43080  
 Providence, RI 02840-3080

108

Issue#:

MICHAEL S SMITH  
 & WANDA BRUSHWOOD

**Transaction Form - use this only when you have additional business**

**Certificate Deposit**

Deposit this number of shares (certificate(s) enclosed)

**Certificate Withdrawal**

Issue a certificate for this number of shares

Issue a certificate for all full shares and a check for fractional shares

☐

**Share Sales**

Sell this number of shares

Sell all shares

☐

**Voluntary Cash Contribution**

Make check payable to: Computershare Trust Company (Maximum \$125,000 per year) - includes payroll deductions and Voluntary contributions.

\$

If you receive more than one statement, or if you would like to change the name(s) or joint tenant on account please call Computershare Trust Company at: 1-800-438-6278. By signing below, you agree that the sale of shares is authorized by you and all other registered owners of the shares and will be binding on you and such other owners.

(X)

Signature

Date

(X)

Signature (if joint account)

Date

My Telephone Number ( )

Address change, share transfer or account consolidations

Please mark box and complete other side of form

☐



# SELECTED STATEMENT DEFINITIONS

**CLOSING DATE** - The last business day of the statement month.

**PRICE PER SHARE** - The price per share purchased or sold under the Plan.

**TAX WITHHELD** - The amount deducted from the cash dividend and paid to federal and/or state tax authorities. The letter (N) indicates that U.S. tax has been withheld for non-resident aliens or the letter (B) for those participants who are not in compliance with IRS regulations.

**ANNUAL MAINTENANCE FEE** - If you no longer work for Wal-Mart you may continue your account and buy shares without paying a brokerage fee. However, you will be charged \$30 once a year as a maintenance fee. The \$30 fee is automatically deducted from your account in the first quarter of each year by selling a portion of stock equal to \$30. If you do not wish to maintain your account after you leave the company, be sure to call EquiServe.

**SHARE BALANCE** - The number of shares in your account on the closing date.

**VALUE OF SHARES** - The estimated market value of the shares in your account on the closing date. It is the price per share multiplied by the share balance in your account on the closing date.

**LOAN COLLATERAL** - The number of shares held by EquiServe as collateral for a loan granted through the Wal-Mart Loan Program. Although these shares are still owned by you, they are not available for transfer, sale or issuance until your entire loan balance is paid. Loans are limited to associates in the U.S.

**TAX INFORMATION** - All participants will receive a record of dividends paid on a Form 1099-DIV. In addition, a record of all proceeds for shares sold through the Plan will be reported on Form 1099-B. Both forms will be sent once a year. Please note that a sale of shares represents a taxable event for purposes of the Internal Revenue Service.

## GUIDELINES FOR TRANSACTION FORM

**CERTIFICATE ISSUANCE** - Certificates will be registered in the name(s) in which the account is maintained on EquiServe's records. Certificates have monetary value and are negotiable. To avoid loss or theft, please keep them in a safe place!

**VOLUNTARY CASH CONTRIBUTION** - Fill in the amount you wish to invest on the Transaction Form and make your check payable to EquiServe. Be sure to include your Social Security Number on your check.

**CERTIFICATE DEPOSIT** - We suggest you use registered and insured mail when sending certificates for deposit into your Plan account.

**SHARE TRANSFER** - If you want to transfer shares from your account into a different account, please complete the Share Transfer section and have your signature(s) guaranteed. We can transfer shares only to individuals who have an existing account with EquiServe.

**SHARE SALE** - You may sell all or part of your shares held in your account at any time by calling EquiServe. You will be asked your name, Social Security number, PIN, and the number of shares to be sold. If the call is received before 2:00 p.m. Eastern Time (1:00 Central) Monday through Friday, the shares will be sold the same day if the securities market is open for normal business. For calls after 2:00 p.m. (1:00 Central), the transaction will take place the next business day. EquiServe fees and commissions on stock sales will be \$20 per transaction and 10 cents per share sold. You should receive a check representing the proceeds within 7 to 10 business days after the date of sale.

**ADDRESS CHANGES** - To ensure accurate and prompt updating of your new address, address changes should be given to both EquiServe and to your location manager.

**INTERNET ACCOUNT ACCESS** - You can obtain account balances, duplicate forms, and request the sale or issuance of your stock over the Internet at [www.equiserve.com](http://www.equiserve.com). To access your account, a password is required. If you have forgotten or lost your password you can have it reset by calling 1-800-438-6278.

For faster service, certificate issuances, share sales, and address changes can be made by calling our Customer Service Representatives at 800-438-6278.

**Share Transfer:** Transfer shares as follows:

Transfer \_\_\_\_\_ shares into the following account:

Account name \_\_\_\_\_

Account number \_\_\_\_\_

Signature(s) of Plan participant(s):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Affix Medallion Signature Guarantee\* Imprint

Date \_\_\_\_\_ By \_\_\_\_\_

\*Signature guarantees must be obtained from an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union or Savings Association participating in a Medallion program approved by the Securities Transfer Association.

Note: A notary signature guarantee will not be accepted for share transfers.

**Change of Address:**

Participant name \_\_\_\_\_

Account number \_\_\_\_\_

New address

\_\_\_\_\_

\_\_\_\_\_

Account Consolidations

If you received more than one statement, please contact EquiServe to consolidate your accounts.

MICHAEL SMITH

LAFAYETTE AL 36862

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THIS IS THE FINAL STATEMENT FOR THE 2005 TAX YEAR.  
IF YOU HAVE ANY QUESTIONS OR NEED FUTHER ASSISTANCE  
PLEASE CALL TAMMY JACKSON AT (334)864-9941. THANK YOU.  
-----

CERTIFICATE NUMBER	CURRENT BALANCE	ACCRUED INTEREST	MATURITY DATE	INTEREST RATE	YEAR-TO-DATE INTEREST
4805401	.00	.00	4/24/06	2.750	3.63
4805402	534.33	.27	6/26/06	3.100	11.86
4805403	530.71	.63	9/18/06	3.100	11.13
4805404	521.60	1.72	5/21/06	2.950	10.84
4805405	.00	.00	4/09/06	2.750	20.29
4805406	510.99	2.82	7/28/06	3.100	9.23
4805408	506.92	3.05	4/13/06	2.750	6.92
4805409	3,104.81	13.80	4/13/06	2.750	42.60
TOTAL.....	5,709.36	22.29			116.50

-----  
ACCOUNT ACTIVITY

NUMBER	DATE	AMOUNT	DESCRIPTION
4805401	1/24/05	1.65	INTEREST ADDED BACK
4805401	4/24/05	1.62	INTEREST ADDED BACK
4805401	5/03/05	.36	EARLY REDEMPTION - CR BALANCE & YTD I
4805401	5/03/05	526.23	IRA-TRANSFER TO ANOTHER CERTIFICATE
4805402	3/26/05	1.80	INTEREST ADDED BACK
4805402	6/26/05	1.85	INTEREST ADDED BACK
4805402	9/26/05	4.11	INTEREST ADDED BACK
4805402	12/26/05	4.10	INTEREST ADDED BACK
4805403	3/18/05	2.31	INTEREST ADDED BACK
4805403	6/18/05	2.37	INTEREST ADDED BACK
4805403	9/18/05	2.38	INTEREST ADDED BACK
4805403	12/18/05	4.07	INTEREST ADDED BACK
4805404	2/21/05	1.61	INTEREST ADDED BACK
4805404	5/21/05	1.56	INTEREST ADDED BACK
4805404	8/21/05	3.82	INTEREST ADDED BACK
4805404	11/21/05	3.85	INTEREST ADDED BACK
4805405	1/09/05	7.93	INTEREST ADDED BACK
4805405	4/09/05	7.78	INTEREST ADDED BACK
4805405	5/03/05	4.58	EARLY REDEMPTION - CR BALANCE & YTD I
4805405	5/03/05	2,535.98	IRA-TRANSFER TO ANOTHER CERTIFICATE
4805406	1/28/05	1.77	INTEREST ADDED BACK
4805406	4/28/05	1.74	INTEREST ADDED BACK
4805406	7/28/05	1.76	INTEREST ADDED BACK
4805406	10/28/05	3.96	INTEREST ADDED BACK

PAGE 2

Individual Retirement Account

Farmers &amp; Merchants Bank

Lafayette, AL 36862

CUSTOMER #

TAX YEAR 2005

MICHAEL SMITH

LAFAYETTE AL 36862

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-----  
ACCOUNT ACTIVITY

NUMBER	DATE	AMOUNT	DESCRIPTION
4805408	4/13/05	500.00	IRA - DEPOSIT APPLYING TO PREVIOUS
4805408	7/13/05	3.43	INTEREST ADDED BACK
4805408	10/13/05	3.49	INTEREST ADDED BACK
4805409	5/03/05	3,062.21	IRA TRANSFER - INTERNAL
4805409	8/03/05	21.23	INTEREST ADDED BACK
4805409	11/03/05	21.37	INTEREST ADDED BACK

-----  
PLAN ACTIVITY

BEGINNING BALANCE		5,092.86
CONTRIBUTIONS -	PREV TAX	500.00
TRANSFER DEPOSIT		3,062.21
INTEREST EARNED		116.50
MISCELLANEOUS DEBIT		3,062.21-
ENDING BALANCE		5,709.36
FAIR MARKET VALUE ON 12/31/05		5,709.36



MICHAEL S SMITH  
& WANDA BRUSHWOOD

LAFAYETTE AL 36862-5604

### Instructions For Recipient

Brokers must report proceeds from transactions to you and the IRS on Form 1099-B by January 31 of the year following the calendar year of the transaction.

**Account Number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1a.** Shows the trade date of the transaction. For aggregate reporting, no entry will be present.

**Box 1b.** For broker transactions, may show the CUSIP (Committee on Uniform Security Identification Procedures) number of the item reported.

**Box 2.** Shows the aggregate proceeds from transactions involving stocks, bonds, other debt obligations, commodities, or forward contracts. The broker must indicate whether gross proceeds or gross proceeds less commissions and option premiums were reported to the IRS. Report this amount on Schedule D (Form 1040), Capital Gains and Losses.

**Box 4.** Shows backup withholding. Generally, a payer must backup withhold at a 28% rate if you did not furnish your taxpayer identification number to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 7.** Shows a brief description of the item or service for which the proceeds are being reported. For regulated futures contracts and forward contracts, "RFC" or other appropriate description may be shown.

### Proceeds From Broker and Barter Exchange Transactions

YEAR: 2005

DIVIDEND REINVESTMENT PLAN

FORM 1099B

1273		98301	
1273		WAL-MART INC. ASOP	
03/15/05	30.00	0.585 SHRS TENDERED @ \$51.282/SHR	
MICHAEL S SMITH & WANDA BRUSHWOOD LAFAYETTE AL 36862-5604		COMPUTERSHARE	
<p><b>Copy B - For Recipient</b></p> <p>THIS IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS INCOME IS TAXABLE AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED.</p> <p>(KEEP FOR YOUR RECORDS)</p>		<p>EIN:</p> <p>For Inquiry: 1-800-438-6278</p>	

TRUCK GAS	TRUCK REPAIRS	TRUCK WASH	BUSINESS SUPPLIES	CELL PHONE	GAS FOR PULL UP	MISC
797.62	36.99			51.22		52.61
783.35						
843.6				54.02		71.83
879.98	275.63			54.02		
745.92	433.52			75.61		21.22
1066.15	79.1			54.02		
				108.04		69.55
1500						
1732.3	95.16			46.64		13.65
800	125			50.6		
1361.02	38.37			100		
1095.98				48.8		
<u>1605.92</u>	<u>1,083.77</u>			<u>462.97</u>		<u>228.86</u>

OMB No. 1545-0048

Copy C for employee's records.

**a** Control number **SV24** **b** Dept. **SV24** **c** Corp. **SV24** **d** Employer use only **1361**

**e** Employer's name, address, and ZIP code  
**FLOWERS BAKING CO OF OPELIKA LLC**  
**101 SIMMONS STREET**  
**OPELIKA, AL 36801**

**f** Employee's name, address, and ZIP code  
**MICHAEL S SMITH**  
**LAFAYETTE, AL 36862**

**1** Employer's FED ID number **65345.57** **2** Employee's SSA number **63-0752595**

**3** Social security wages **45598.87** **4** Social security tax withheld **2827.13**

**5** Medicare wages and tips **45598.87** **6** Medicare tax withheld **661.18**

**7** Social security tips **8** Allocated tips

**9** Advance EIC payment **10** Dependent care benefits

**11** Nonqualified plans **12a** See instructions for box 12

**14** Other **12b** **12c** **12d**

**13** Stat emp **Ret. plan** **3rd party sick pay**  
**X**

**15** State **Employer's state ID no.** **16** State wages, tips, etc.  
**TOTAL STATE**

**17** State income tax **18** Local wages, tips, etc.

**19** Local income tax **20** Locality name

Document 114-3 Filed 05/07/2008 Page 38 of 83

GROSS PAY 65,345.57  
 SOCIAL SECURITY TAX WITHHELD 2,827.13  
 MEDICARE TAX WITHHELD 661.18  
 BOX 02 OF W-2  
 BOX 06 OF W-2

FED. INCOME TAX WITHHELD 0.00  
 BOX 02 OF W-2

STATE INCOME TAX 0.00  
 BOX 17 OF W-2  
 LOCAL INCOME TAX 0.00  
 BOX 19 OF W-2

SUI/SDI 0.00  
 BOX 14 OF W-2

To change your employee W-4 profile information  
 file a new W-4 with your payroll department

MICHAEL S SMITH  
 LAFAYETTE, AL 36862

Social Security Number:  
 Taxable Marital Status:  
 SINGLE  
 Exemptions/Allowances:  
 Federal: 0  
 State: 0  
 Local: 0

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 Save 15% on Tax Preparation, learn more at <https://taxpartner.adp.com>

**1** Wages, tips, other comp. **65345.57** **2** Federal income tax withheld **2827.13**

**3** Social security wages **45598.87** **4** Social security tax withheld **2827.13**

**5** Medicare wages and tips **45598.87** **6** Medicare tax withheld **661.18**

**a** Control number **SV24** **b** Dept. **SV24** **c** Corp. **SV24** **d** Employer use only **1361**

**e** Employer's name, address, and ZIP code  
**FLOWERS BAKING CO OF OPELIKA LLC**  
**101 SIMMONS STREET**  
**OPELIKA, AL 36801**

**f** Employee's name, address, and ZIP code  
**MICHAEL S SMITH**  
**LAFAYETTE, AL 36862**

**15** State **Employer's state ID no.** **16** State wages, tips, etc.  
**TOTAL STATE**

**17** State income tax **18** Local wages, tips, etc.

**19** Local income tax **20** Locality name

**Federal Filing Copy**  
**W-2**  
**Statement**  
**2005**  
 Copy B to be filed with employee's Federal income tax return.

**1** Wages, tips, other comp. **65345.57** **2** Federal income tax withheld **2827.13**

**3** Social security wages **45598.87** **4** Social security tax withheld **2827.13**

**5** Medicare wages and tips **45598.87** **6** Medicare tax withheld **661.18**

**a** Control number **SV24** **b** Dept. **SV24** **c** Corp. **SV24** **d** Employer use only **1361**

**e** Employer's name, address, and ZIP code  
**FLOWERS BAKING CO OF OPELIKA LLC**  
**101 SIMMONS STREET**  
**OPELIKA, AL 36801**

**f** Employee's name, address, and ZIP code  
**MICHAEL S SMITH**  
**LAFAYETTE, AL 36862**

**15** State **Employer's state ID no.** **16** State wages, tips, etc.  
**AL 150720 65345.57**

**17** State income tax **18** Local wages, tips, etc.

**19** Local income tax **20** Locality name

**AL. State Reference Copy**  
**W-2**  
**Statement**  
**2005**  
 Copy 2 to be filed with employee's State income tax return.

**1** Wages, tips, other comp. **65345.57** **2** Federal income tax withheld **2827.13**

**3** Social security wages **45598.87** **4** Social security tax withheld **2827.13**

**5** Medicare wages and tips **45598.87** **6** Medicare tax withheld **661.18**

**a** Control number **SV24** **b** Dept. **SV24** **c** Corp. **SV24** **d** Employer use only **1361**

**e** Employer's name, address, and ZIP code  
**FLOWERS BAKING CO OF OPELIKA LLC**  
**101 SIMMONS STREET**  
**OPELIKA, AL 36801**

**f** Employee's name, address, and ZIP code  
**MICHAEL S SMITH**  
**LAFAYETTE, AL 36862**

**15** State **Employer's state ID no.** **16** State wages, tips, etc.  
**AL 150720 65345.57**

**17** State income tax **18** Local wages, tips, etc.

**19** Local income tax **20** Locality name

**AL. State Filing Copy**  
**W-2**  
**Statement**  
**2005**  
 Copy 2 to be filed with employee's State income tax return.

not have a qualifying child and you earned less than \$11,750 (\$13,750 if married filing jointly). (b) you have one qualifying child and you earned less than \$11,030 (\$13,030 if married filing jointly). (c) you have more than one qualifying child and you earned less than \$35,263 (\$37,263 if married filing jointly). You and any qualifying children must have valid social security numbers (SSNs). You cannot take the EIC if your investment income is more than \$2,700. Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return. If you have at least one qualifying child, you may get as much as \$1,597 of the EIC in advance by completing Form W-5, Earned Income Credit Advance Payment Certificate, and giving it to your employer.

**Clergy and religious workers.** If you are not subject to social security and Medicare taxes, see Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

**Corrections.** If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. If your name and SSN are correct but are not the same as shown on your social security card, you should ask for a new card at any SSA office or call 1-800-772-1213.

**Credit for excess taxes.** If you had more than one employer in 2005 and more than \$5,580.00 in social security and/or Tier I railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and more than \$2,943.60 in Tier II RRTA tax was withheld, you also may be able to claim a credit. See your Form 1040 or Form 1040A instructions and Publication 505, Tax Withholding and Estimated Tax.

**Instructions**

**Box 1.** Enter this amount on the wages line of your tax return.

**Box 2.** Enter this amount on the federal income tax withheld line of your tax return.

**Box 3.** This amount is not included in boxes 1, 3, 5, or 7. For information on how to report tips on your tax return, see your Form 1040 instructions.

**Box 8.** Enter this amount on the advance earned income credit payments line of your Form 1040 or Form 1040A.

**Box 10.** This amount is the total dependent care benefits that your employer paid to you or incurred on your behalf

distribution made to you from a nonqualified deferred compensation or non governmental section 457(b) plan or (b) included in box 3 and/or 5 is a prior year deferral (b) a nonqualified or section 457(b) plan that is taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount.

**Box 12.** The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, and S) under all plans are generally limited to a total of \$14,000 (\$17,000 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code G are limited to \$14,000. Deferrals under code H are limited to \$7,000. However, if you were at least age 50 in 2005, your employer may have allowed an additional deferral of up to \$4,000 (\$2,000 for section 401(k) 1) and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals. For code G, the limit on elective deferrals may be higher for the last three years before you reach retirement age. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit may be included in income. See the "Wages, Salaries, Tips, etc." line instructions for Form 1040.

**Note.** If a year follows code D, E, F, G, H, or S, you made a make-up pension contribution for a prior year(s) when you were in military service. To figure whether you made excess deferrals, consider these amounts for the year shown, not the current year. If no year is shown, the contributions are for the current year.

**A**—Uncollected social security or RRTA tax on tips. Include this tax on Form 1040. See "Total Tax" in the Form 1040 instructions.

**B**—Uncollected Medicare tax on tips. Include this tax on Form 1040. See "Total Tax" in the Form 1040 instructions.

**C**—Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to social security wage base), and 5).

**D**—Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

**E**—Elective deferrals under a section 403(b) salary reduction agreement.

**F**—Elective deferrals under a section 408(k)(6) salary reduction SEP.

**G**—Elective deferrals and employer contributions (including non-elective deferrals) to a section 457(b) deferred compensation plan.

**K**—20% excise tax on excess golden parachute payments. See "Total Tax" in the Form 1040 instructions.

**L**—Substantiated employee business expense reimbursements (not taxable).

**M**—Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See "Total Tax" in the Form 1040 instructions.

**N**—Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See "Total Tax" in the Form 1040 instructions.

**P**—Excludable moving expense reimbursements paid directly to employee (not included in boxes 1, 3, or 5).

**Q**—Nontaxable combat pay. See the instructions for Form 1040 or Form 1040A for details on reporting this amount.

**R**—Employer contributions to your Archer MSA. Report on Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.

**S**—Employee salary reduction contributions under a section 408(p) SIMPLE (not included in box 1).

**T**—Adoption benefits (not included in box 1). You must complete Form 8839, Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.

**V**—Income from exercise of nonstatutory stock options (included in boxes 1, 3 (up to social security wage base), and 5).

**W**—Employer contributions to your Health Savings Account. Report on Form 8889, Health Savings Accounts (HSAs).

**Y**—Deferrals under a section 409A nonqualified deferred compensation plan.

**Z**—Income under section 409A on a nonqualified deferred compensation plan. This amount is also included in box 1. It is subject to an additional 20% tax plus interest. See "Total Tax" in the Form 1040 instructions.

**Box 13.** If the "Retirement plan" box is checked, special limits may apply to the amount of traditional IRA contributions that you may deduct.

**Note: Keep Copy C of Form W-2 for at least 3 years after the due date for filing your income tax return. However, to help protect your social security benefits, keep Copy C until you begin receiving social security benefits, just in case there is a question about your work record and/or earnings in a particular year. Review the information shown on your annual (for workers over 25) Social Security Statement. This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it. Department of the Treasury - Internal Revenue Service**

NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

Department of the Treasury - Internal Revenue Service

This information is being furnished to the Internal Revenue Service.

**IMPORTANT NOTE:**

In order to insure efficient processing, attach this W-2 to your tax return like this (following city or local instructions):

TAX RETURN	
THIS FORM W-2	OTHER W-2'S

NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

Department of the Treasury - Internal Revenue Service

This information is being furnished to the Internal Revenue Service.

**IMPORTANT NOTE:**

In order to insure efficient processing, attach this W-2 to your tax return like this (following state instructions):

TAX RETURN	
THIS FORM W-2	OTHER W-2'S

NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

Department of the Treasury - Internal Revenue Service

This information is being furnished to the Internal Revenue Service.

**IMPORTANT NOTE:**

In order to insure efficient processing, attach this W-2 to your tax return like this (following IRS instructions):

TAX RETURN	
THIS FORM W-2	OTHER W-2'S

NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

**SMITH**  
**DEFENDANT'S EXHIBIT**  
**3**

10 - 2110 2110 2110 2110

LaFayette, Alabama 36862

2006 Federal & State Income Tax  
Return for  
Michael S. Smith

**MICHAEL S SMITH**

**LAFAYETTE, AL 36862**

**Home:**

**FEDERAL FORMS**

Form 1040	2006 U.S. Individual Income Tax Return
Form 1040-V	Payment Voucher
Schedule C	Profit or Loss From Business
Schedule D	Capital Gains and Losses
Form 4562	Depreciation and Amortization
Form 4797	Sale of Business Property
Form 8879	IRS e-file Signature Authorization
Form 8880	Qualified Retirement Savings Contributions Credit
	Vehicle Expense Worksheet
	Depreciation Schedules

**ALABAMA FORMS**

Form 40	2006 Alabama Individual Income Tax Return
Schedule A	Alabama Schedule A - Itemized Deductions
Schedule B & CR	Interest and Dividend Income and Schedule CR
Schedule D	Alabama Supplemental Income Schedule
Schedule C	Profit or Loss From Business
Form AL8453	Declaration for Electronic Filing
	Alabama Depreciation Schedules

**GEORGIA FORMS**

Form 500	2006 Georgia Individual Income Tax Return
Form GA-8453	Declaration for Electronic Filing

**FEE SUMMARY**

Preparation Fee	\$	250.00
Amount Due	\$	250.00

\*\*\*All invoices for Tax Returns due upon receipt.\*\*\*

ALEXANDER WALTON PC  
AUBURN, AL 36831-3404

April 3, 2007

MICHAEL S SMITH

LAFAYETTE, AL 36862

Dear Michael,

Your 2006 Federal Individual Income Tax return will be electronically filed with the Internal Revenue Service upon receipt of a signed Form 8879 - IRS e-file Signature Authorization. There is a balance due of \$140.

Make your check payable to the "United States Treasury" and mail your Form 1040-V payment voucher on or before April 17, 2007 to:

INTERNAL REVENUE SERVICE  
P.O. BOX 105017  
ATLANTA, GA 30348-5017

The contribution to your traditional IRA for 2006 is \$500. To ensure that your contribution is allowable, \$500 must be deposited to your account on or before April 17, 2007.

Your 2006 Alabama Individual Income Tax Return will be electronically filed with the State of Alabama upon receipt of a signed Form AL8453. No tax is payable with the filing of this return.

Your 2006 Georgia Individual Income Tax Return will be electronically filed with the State of Georgia upon receipt of a signed Form GA-8453. No tax is payable with the filing of this return. The refund of \$913 will be directly deposited into your bank account.

Please be sure to call if you have any questions.

Sincerely,

ALEXANDER WALTON



Label  
(See instructions)

Use the  
IRS label.  
Otherwise,  
please print  
or type.

Presidential  
Election  
Campaign

Your first name MICHAEL S. SMITH		MI Last name		Your social security number	
If a joint return, spouse's first name				Spouse's social security number	
Home address (number and street). If you have a P.O. box, see instructions.				Apartment no.	
City, town or post office. If you have a foreign address, see instructions				State ZIP code	
LAFAYETTE, AL 36862				You must enter your social security number(s) above. ▲	
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions)				<input type="checkbox"/> You <input type="checkbox"/> Spouse	

### Filing Status

1 <input type="checkbox"/> Single	4 <input checked="" type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.
2 <input type="checkbox"/> Married filing jointly (even if only one had income)	
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above & full name here.	5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see instructions)

### Exemptions

6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a.				Boxes checked on 6a and 6b: 1	
b <input type="checkbox"/> Spouse.				No. of children on 6c who:	
c Dependents:				<input checked="" type="checkbox"/> lived with you .....	
				<input type="checkbox"/> did not live with you due to divorce or separation (see instrs) .....	
(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs)				Dependents on 6c not entered above: 1	
				Add numbers on lines above: 2	
d Total number of exemptions claimed					

### Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2.	7	
8a Taxable interest. Attach Schedule B if required.	8a	187.
b Tax-exempt interest. Do not include on line 8a.	8b	
9a Ordinary dividends. Attach Schedule E if required.	9a	3.
b Qualified dividends (see instrs).	9b	3.
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions)	10	
11 Alimony received.	11	
12 Business income or (loss). Attach Schedule C or C-EZ.	12	26,905.
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here.	13	-3.
14 Other gains or (losses). Attach Form 4797.	14	6,043.
15a IRA distributions	15a	
b Taxable amount (see instrs)	15b	
16a Pensions and annuities	16a	
b Taxable amount (see instrs)	16b	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E.	17	
18 Farm income or (loss). Attach Schedule F.	18	
19 Unemployment compensation	19	
20a Social security benefits	20a	
b Taxable amount (see instrs)	20b	
21 Other income	21	
22 Add the amounts in the far right column for lines 7 through 21. This is your total income.	22	33,135.

### Adjusted Gross Income

23 Archer MSA deduction. Attach Form 8853.	23	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ.	24	
25 Health savings account deduction. Attach Form 8889.	25	
26 Moving expenses. Attach Form 3903.	26	
27 One-half of self-employment tax. Attach Schedule SE.	27	
28 Self-employed SEP, SIMPLE, and qualified plans.	28	
29 Self-employed health insurance deduction (see instructions).	29	
30 Penalty on early withdrawal of savings.	30	44.
31a Alimony paid b Recipient's SSN.	31a	
32 IRA deduction (see instructions).	32	500.
33 Student loan interest deduction (see instructions).	33	
34 Jury duty pay you gave to your employer.	34	
35 Domestic production activities deduction. Attach Form 8903.	35	
36 Add lines 23 - 31a and 32 - 35.	36	544.
37 Subtract line 36 from line 22. This is your adjusted gross income.	37	32,591.

<b>Tax and Credits</b>		38 Amount from line 37 (adjusted gross income) . . . . .	38	32,591.
<b>Standard Deduction for —</b> • People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$5,150 Married filing jointly or Qualifying widow(er), \$10,300 Head of household, \$7,550		39a <input type="checkbox"/> <b>Spouse was born before January 2, 1942.</b> <input type="checkbox"/> <b>Blind.</b> <input checked="" type="checkbox"/> <b>39a</b> <b>b If your spouse itemizes on a separate return, or you were a dual-status alien, see instrs and ck here</b> <input type="checkbox"/> <b>39b</b> 40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) . . . . . 41 Subtract line 40 from line 38 42 If line 38 is over \$112,875, or you provided housing to a person displaced by Hurricane Katrina, see instructions. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d . . . . . 43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 44 Tax (see instrs). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 . . . . . 45 Alternative minimum tax (see instructions). Attach Form 6251 . . . . . 46 Add lines 44 and 45 47 Foreign tax credit. Attach Form 1116 if required . . . . . 48 Credit for child and dependent care expenses. Attach Form 2441 . . . . . 49 Credit for the elderly or the disabled. Attach Schedule R . . . . . 50 Education credits. Attach Form 8863 . . . . . 51 Retirement savings contributions credit. Attach Form 8880 . . . . . 52 Residential energy credits. Attach Form 5695 . . . . . 53 Child tax credit (see instructions). Attach Form 8901 if required . . . . . 54 Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8839 c <input type="checkbox"/> Form 8859 . . . . . 55 Other credits. Check applicable box(es): a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form . . . . . 56 Add lines 47 through 55. These are your total credits . . . . . 57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0- . . . . . <b>Other Taxes</b> 58 Self-employment tax. Attach Schedule SE . . . . . 59 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 . . . . . 60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required . . . . . 61 Advance earned income credit payments from Form(s) W-2, box 9 . . . . . 62 Household employment taxes. Attach Schedule H . . . . . 63 Add lines 57-62. This is your total tax . . . . . <b>Payments</b> 64 Federal income tax withheld from Forms W-2 and 1099 . . . . . 65 2006 estimated tax payments and amount applied from 2005 return . . . . . 66a Earned income credit (EIC) . . . . . b Nontaxable combat pay election . . . . . 67 Excess social security and tier 1 RRTA tax withheld (see instructions) . . . . . 68 Additional child tax credit. Attach Form 8812 . . . . . 69 Amount paid with request for extension to file (see instructions) . . . . . 70 Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885 . . . . . 71 Credit for federal telephone excise tax paid. Attach Form 8913 if required . . . . . 72 Add lines 64, 65, 66a, and 67 through 71. These are your total payments . . . . . <b>Refund</b> 73 If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid . . . . . 74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/> <b>74a</b> b Routing number . . . . . c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings d Account number . . . . . 75 Amount of line 73 you want applied to your 2007 estimated tax . . . . . <b>Amount You Owe</b> 76 Amount you owe. Subtract line 72 from line 63. For details on how to pay, see instructions . . . . . 77 Estimated tax penalty (see instructions) . . . . . <b>Third Party Designee</b> Do you want to allow another person to discuss this return with the IRS (see instructions)? <input checked="" type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No Designee's name <b>Preparer</b> Phone no. . . . . Personal identification number (PIN) . . . . . <b>Sign Here</b> Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Your signature . . . . . Date . . . . . Your occupation <b>SALESMAN</b> Daytime phone number . . . . . Spouse's signature. If a joint return, both must sign. . . . . Date . . . . . Spouse's occupation . . . . . <b>Paid Preparer's Use Only</b> Preparer's signature <b>ALEXANDER WALTON</b> Date <b>4/03/07</b> Check if self-employed <input type="checkbox"/> Firm's name (or yours if self-employed) . . . . . EIN . . . . . address, and ZIP code . . . . . Phone no. . . . .	40 7,550. 41 25,041. 42 6,600. 43 18,441. 44 2,226. 45 0. 46 2,226. 47 48 49 50 51 46. 52 53 54 55 56 46. 57 2,180. 58 59 60 61 62 63 2,180. 64 65 2,000. 66a 66b 67 68 69 70 71 40. 72 2,040. 73 74a 75 76 140. 77	

Name of proprietor <b>MICHAEL S. SMITH</b>		Sequence No. <b>03</b>
A Principal business or profession, including product or service (see instructions) <b>BREAD SALESMAN</b>		B Enter code from instructions <b>722300</b>
C Business name, if no separate business name, leave blank. <b>FLOWERS BAKING BREAD ROUTE</b>		D Employer ID number (EIN), if any
E Business address (including suite or room no.) City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____		
G Did you 'materially participate' in the operation of this business during 2006? If 'No,' see instructions for limit on losses. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2006, check here _____		

**Part I Income**

1 Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. <input checked="" type="checkbox"/>	1	67,741.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	67,741.
4 Cost of goods sold (from line 42 on page 2)	4	
5 Gross profit. Subtract line 4 from line 3	5	67,741.
6 Other income, including federal and state gasoline or fuel tax credit or refund	6	
7 Gross income. Add lines 5 and 6	7	67,741.

**Part II Expenses.** Enter expenses for business use of your home only on line 30.

8 Advertising	8		18 Office expense	18	126.
9 Car and truck expenses (see instructions)	9	18,153.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	6,620.
12 Depletion	12		b Other business property	20b	1,274.
13 Depreciation and section 179 expense deduction (not included in Part II) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	3,025.
15 Insurance (other than health)	15	2,081.	23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc)	16a		a Travel	24a	
b Other	16b	4,523.	b Deductible meals and entertainment	24b	
17 Legal & professional services	17		25 Utilities	25	
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns	28		26 Wages (less employment credits)	26	
29 Tentative profit (loss). Subtract line 28 from line 7	29		27 Other expenses (from line 48 on page 2)	27	5,034.
30 Expenses for business use of your home. Attach Form 8829	30				
31 Net profit or (loss). Subtract line 30 from line 29.					
<ul style="list-style-type: none"> <li>If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.</li> <li>If a loss, you must go to line 32.</li> </ul>	31	26,905.			
32 If you have a loss, check the box that describes your investment in this activity (see instructions).					
<ul style="list-style-type: none"> <li>If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.</li> <li>If you checked 32b, you must attach Form 6198. Your loss may be limited.</li> </ul>	32a		32a		All investment is at risk.
	32b		32b		Some investment is not at risk.

Part III Cost of Goods Sold (see instructions)	
33 Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation.	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation.	35
36 Purchases less cost of items withdrawn for personal use.	36
37 Cost of labor. Do not include any amounts paid to yourself.	37
38 Materials and supplies.	38
39 Other costs.	39
40 Add lines 35 through 39.	40
41 Inventory at end of year.	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.	42

**Part IV Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ \_\_\_\_\_

44 Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for:  
a Business \_\_\_\_\_ b Commuting (see instructions) \_\_\_\_\_ c Other \_\_\_\_\_

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

47 a Do you have evidence to support your deduction? ☐ Yes ☐ No  
b If 'Yes,' is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.	
Accounting	898.
Amortization	2,985.
Miscellaneous	46.
Telephone	936.
Uniforms	169.
48 Total other expenses. Enter here and on page 1, line 27.	48 5,034.

**Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less**

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo. day, yr)	(c) Date sold (Mo. day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2...	2				
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d).	3				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4				
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	5				
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet in the instructions	6				
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f).	7				

**Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year**

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo. day, yr)	(c) Date sold (Mo. day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
8 .663 Shs Walmart	Various	3/13/06	30.	33.	-3.
9 Enter your long-term totals, if any, from Schedule D-1, line 9.	9				
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d).	10		30.		
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	11				
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	12				
13 Capital gain distributions. See instrs	13				
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet in the instructions	14				
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2	15				-3.

BAA For Paperwork Reduction Act Notice, see Form 1040 or Form 1040NR instructions.

Schedule D (Form 1040) 2006

<p>16 Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</p>	16	-3.
<p>17 Are lines 15 and 16 <b>both</b> gains?</p> <p><input type="checkbox"/> <b>Yes.</b> Go to line 18.</p> <p><input type="checkbox"/> <b>No.</b> Skip lines 18 through 21, and go to line 22.</p>		
<p>18 Enter the amount, if any, from line 7 of the <b>28% Rate Gain Worksheet</b> in the instructions.</p>	18	
<p>19 Enter the amount, if any, from line 18 of the <b>Unrecaptured Section 1250 Gain Worksheet</b> in the instructions.</p>	19	
<p>20 Are lines 18 and 19 <b>both</b> zero or blank?</p> <p><input type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the Instructions for Form 1040 (or in the Instructions for Form 1040NR). <b>Do not</b> complete lines 21 and 22 below.</p> <p><input type="checkbox"/> <b>No.</b> Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the <b>Schedule D Tax Worksheet</b> in the instructions. <b>Do not</b> complete lines 21 and 22 below.</p>		
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the <b>smaller</b> of:</p> <ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500)</li> </ul>	21	-3.
<p><b>Note.</b> When figuring which amount is smaller, treat both amounts as positive numbers.</p>		
<p>22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?</p> <p><input checked="" type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the Instructions for Form 1040 (or in the Instructions for Form 1040NR).</p> <p><input type="checkbox"/> <b>No.</b> Complete the rest of Form 1040 or Form 1040NR.</p>		



Form 4797		Sales of Business Property		Page 50 of 2006			
Department of the Treasury Internal Revenue Service (99)		Under Sections 179 and 280F(b)(2)		Attachment Sequence No. 27			
Name(s) shown on return <b>MICHAEL S SMITH</b>				Identifying number			
1 Enter the gross proceeds from sales or exchanges reported to you for 2006 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions).				1			
<b>Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft — Most Property Held More Than 1 Year (see instructions)</b>							
2	(a) Description of property	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
3 Gain, if any, from Form 4684, line 42							3
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37							4
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824							5
6 Gain, if any, from line 32, from other than casualty or theft							6
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows. <b>Partnerships (except electing large partnerships) and S corporations.</b> Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.  <b>Individuals, partners, S corporation shareholders, and all others.</b> If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.							7
8 Nonrecaptured net section 1231 losses from prior years (see instructions)							8
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)							9
<b>Part II Ordinary Gains and Losses (see instructions)</b>							
10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):							
11 Loss, if any, from line 7							11
12 Gain, if any, from line 7 or amount from line 8, if applicable							12
13 Gain, if any, from line 31							13 6,043.
14 Net gain or (loss) from Form 4684, lines 34 and 41a							14
15 Ordinary gain from installment sales from Form 6252, line 25 or 36							15
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824							16
17 Combine lines 10 through 16							17 6,043.
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: <b>a</b> If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from Form 4797, line 18a. See instructions							18a
<b>b</b> Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14.							18b 6,043.
BAA For Paperwork Reduction Act Notice, see separate instructions.							
Form 4797 (2006)							

19(a) Description of section 1245, 1250, 1252, 1254, or 1255 property: A Flowers Route #2100	(b) Date acquired (mo./day/yr) 8/02/03	(c) Date sold (mo./day/yr) 12/02/06
B		
C		
D		

These columns relate to the properties on lines 19A through 19D		Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing).	20	46,560.			
21 Cost or other basis plus expense of sale.	21	51,368.			
22 Depreciation (or depletion) allowed or allowable.	22	10,851.			
23 Adjusted basis. Subtract line 22 from line 21.	23	40,517.			
24 Total gain. Subtract line 23 from line 20.	24	6,043.			
25 If section 1245 property:					
a Depreciation allowed or allowable from line 22.	25a	10,851.			
b Enter the smaller of line 24 or 25a.	25b	6,043.			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975 (see instrs)	26a				
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b				
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e.	26c				
d Additional depreciation after 1969 & before 1976.	26d				
e Enter the smaller of line 26c or 26d.	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f.	26g				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage (see instructions).	27b				
c Enter the smaller of line 24 or 27b.	27c				
28 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a				
b Enter the smaller of line 24 or 28a.	28b				
29 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b Enter the smaller of line 24 or 29a (see instrs).	29b				

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24.	30	6,043.
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13.	31	6,043.
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 36. Enter the portion from other than casualty or theft on Form 4797, line 6.	32	0.

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation (see instructions).	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report.	35	



Name(s) shown on return  
**MICHAEL S SMITH**

Business or activity to which this form relates

**Schedule C - FLOWERS BAKING BREAD ROUTE**

**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses . . . . .	1	\$108,000.
2	Total cost of section 179 property placed in service (see instructions). . . . .	2	
3	Threshold cost of section 179 property before reduction in limitation. . . . .	3	\$430,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-. . . . .	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions. . . . .	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29 . . . . .	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7. . . . .	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8. . . . .	9	
10	Carryover of disallowed deduction from line 13 of your 2005 Form 4562. . . . .	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs). . . . .	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. . . . .	12	
13	Carryover of disallowed deduction to 2007. Add lines 9 and 10, less line 12. . . . .	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions). . . . .	14	
15	Property subject to section 168(f)(1) election. . . . .	15	
16	Other depreciation (including ACRS). . . . .	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2006. . . . .	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here. . . . .		<input type="checkbox"/>

**Section B — Assets Placed in Service During 2006 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property. . . . .						
b 5-year property. . . . .						
c 7-year property. . . . .						
d 10-year property. . . . .						
e 15-year property. . . . .						
f 20-year property. . . . .						
g 25-year property. . . . .			25 yrs		S/L	
h Residential rental property. . . . .			27.5 yrs	MM	S/L	
i Nonresidential real property. . . . .			39 yrs	MM	S/L	
				MM	S/L	

**Section C — Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System**

20a Class life. . . . .				S/L	
b 12-year. . . . .		12 yrs		S/L	
c 40-year. . . . .		40 yrs	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28. . . . .	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions. . . . .	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs. . . . .	23	

24a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No										24b If "Yes," is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)								25			
26 Property used more than 50% in a qualified business use:											
Delivery Tru	1/02/02	100.0									
27 Property used 50% or less in a qualified business use:											
Pickup Truck	1/02/02	31.92									
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28	0.		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29	0.		

#### Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	60,791		2,421									
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven			5,163									
33 Total miles driven during the year. Add lines 30 through 32	60,791		7,584									
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?	X		X									
35 Was the vehicle used primarily by a more than 5% owner or related person?	X		X									
36 Is another vehicle available for personal use?	X		X									

#### Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

#### Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2006 tax year (see instructions):					
43 Amortization of costs that began before your 2006 tax year				43	2,985.
44 Total. Add amounts in column (f). See instructions for where to report.				44	2,985.

**CAUTION:** You **cannot** take this credit if **either** of the following applies.

- The amount on Form 1040, line 38, Form 1040A, line 22, or Form 1040NR, line 36 is more than \$25,000 (\$37,500 if head of household; \$50,000 if married filing jointly).
- The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 1989, (b) is claimed as a dependent on someone else's 2006 tax return, or (c) was a **student** (see instructions).

	(a) You	(b) Your spouse
1 Traditional and Roth IRA contributions for 2006. <b>Do not</b> include rollover contributions . . . . .	1 500.	
2 Elective deferrals to a 401(k) or other qualified employer plan, voluntary employee contributions, and 501(c)(18)(D) plan contributions for 2006 (see instructions) . . . . .	2	
3 Add lines 1 and 2 . . . . .	3 500.	
4 Certain distributions received <b>after</b> 2003 and <b>before</b> the due date (including extensions) of your 2006 tax return (see instructions). If married filing jointly, include <b>both</b> spouses' amounts in <b>both</b> columns. See instructions for an exception . . . . .	4 43.	
5 Subtract line 4 from line 3. If zero or less, enter -0- . . . . .	5 457.	
6 In each column, enter the <b>smaller</b> of line 5 or \$2,000 . . . . .	6 457.	
7 Add the amounts on line 6. If zero, <b>stop</b> ; you cannot take this credit. . . . .	7	457.
8 Enter the amount from Form 1040, line 38*, or Form 1040A, line 22, or Form 1040NR, line 36 . . . . .	8 32,591.	
9 Enter the applicable decimal amount shown below:		

If line 8 is—		And your filing status is—		
Over—	But not over—	Married filing jointly	Head of household	Single, Married filing separately, or Qualifying widow(er)
---	\$15,000	.5	.5	.5
\$15,000	\$16,250	.5	.5	.2
\$16,250	\$22,500	.5	.5	.1
\$22,500	\$24,375	.5	.2	.1
\$24,375	\$25,000	.5	.1	.1
\$25,000	\$30,000	.5	.1	.0
\$30,000	\$32,500	.2	.1	.0
\$32,500	\$37,500	.1	.1	.0
\$37,500	\$50,000	.1	.0	.0
\$50,000	---	.0	.0	.0

**Note:** If line 9 is zero, **stop**; you cannot take this credit.

10 Multiply line 7 by line 9 . . . . .	10	46.
11 Enter the amount from Form 1040, line 46, or Form 1040A, line 28, or Form 1040NR, line 43 . . . . .	11	2,226.
12 <b>1040 filers:</b> Enter the total of your credits from lines 47 through 50. <b>1040A filers:</b> Enter the total of your credits from lines 29 through 31. <b>1040NR filers:</b> Enter the total of your credits from lines 44 and 45. . . . .	12	
13 Subtract line 12 from line 11. If zero, <b>stop</b> ; you cannot take this credit . . . . .	13	2,226.
14 <b>Credit for qualified retirement savings contributions.</b> Enter the <b>smaller</b> of line 10 or line 13 here and on Form 1040, line 51, or Form 1040A, line 32, or Form 1040NR, line 46 . . . . .	14	46.

**Wage Schedule**

<u>Taxpayer - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi- care</u>	<u>State W/H</u>	<u>Local W/H</u>
FLOWERS BAKING CO. OF OPELIKA	67,741.		3,032.	982.		
Grand Total	<u>67,741.</u>	<u>0.</u>	<u>3,032.</u>	<u>982.</u>	<u>0.</u>	<u>0.</u>

**Form 1040, Line 8a  
Interest Income**

FARMERS &amp; MERCHANTS BANK

Total 187.  
187.

**Form 1040, Line 9a  
Dividend Income**

WALMART, INC. ASOP

Total 3.  
3.

**Form 1040, Line 9b  
Qualified Dividends**

WALMART, INC. ASOP

Total 3.  
3.

IRA Deduction Worksheet (Form 1040, Line 32)

Taxpayer

1. Were you covered by a retirement plan?  
YES (for either if MFJ). Go to line 2.  
NO (for both if MFJ). Skip lines 2-6.  
Enter \$4,000 (or \$5,000 if age 50 or older)  
on line 7. Then go to line 8. No
2. Enter the threshold for your filing status.
3. Enter the amount from Form 1040, line 22.
4. Add amounts on Form 1040, lines 23 through 31a,  
line 34, and any amount entered next to line 36.
5. Subtract line 4 from line 3 (not < 0).
6. Subtract line 5 from line 2 (not < 0).
7. Multiply line 6 by 40% (or by 50% if age  
50 or over). Round up to the next multiple  
of \$10. If the result is more than zero and  
less than \$200, enter \$200. If the result is  
more than \$4,000 (or \$5,000 if age 50 or older),  
enter \$4,000 (or \$5,000). 4,000.
8. Wages, alimony, and nontaxable combat pay 67,741.
9. Self-employed earned income minus the one-half  
of self-employment tax adjustment and the  
self-employed retirement plan adjustment. 0.
10. Total earned income (add lines 8 and 9) 67,741.

Deductible IRA Contributions:

11. Enter IRA contributions you made, or  
will make by April 16, 2007, for 2006. 500.
12. Enter the smallest of line 7, 10 or 11.  
This is the most you can deduct on  
Form 1040, line 32. 500.

Nondeductible IRA Contributions:

13. Subtract line 12 from the smaller of line  
10 or line 11. Enter the part you choose to  
make nondeductible on Form 8606, line 1. 0.

4/03/07

07:36PM

Qualified Dividends and Capital Gain Tax Worksheet (Form 1040, Line 44)

1. Enter the amount from Form 1040, line 43 18,441.
2. Enter the amount from Form 1040, line 9b 3.
3. Are you filing Schedule D?  
☒ Yes. Enter the smaller of line 15 or 16 of  
Schedule D, but do not enter less than zero  
☐ No. Enter the amount from Form 1040, line 13 0.
4. Add lines 2 and 3 3.
5. If you are claiming investment interest expense  
on Form 4952, enter the amount from line 4g of  
that form. Otherwise enter zero. 0.
6. Subtract line 5 from line 4. If zero or  
less, enter zero. 3.
7. Subtract line 6 from line 1. If zero or  
less, enter zero. 18,438.
8. Enter the smaller of:  
- The amount on line 1, or  
- \$30,650 if single or married filing separately,  
\$61,300 if married filing jointly or qualifying  
widow(er), \$41,050 if head of household. 18,441.
9. Is the amount on line 7 equal to or more  
than the amount on line 8?  
☐ YES. Skip lines 9 through 11;  
Go to line 12 and check the  
"No" box  
☒ NO. Enter the amount from line 7 18,438.
10. Subtract line 9 from line 8 3.
11. Multiply line 10 by 5% (.05) 0.
12. Are the amounts on lines 6 and 10 the same?  
☒ YES. Skip lines 12 through 15;  
go to line 16  
☐ NO. Enter the smaller of line 1 or  
line 6
13. Enter the amount from line 10. (If line 10 is  
blank, enter zero.)
14. Subtract line 13 from line 12.
15. Multiply line 14 by 15% (.15)
16. Figure the tax on the amount on line 7.  
(Use the Tax Table or Tax Computation Worksheet) 2,226.
17. Add lines 11, 15, and 16 2,226.
18. Figure the tax on the amount on line 1.  
(Use the Tax Table or Tax Computation Worksheet) 2,226.
19. Tax on all taxable income (including  
capital gain distributions). Enter the  
smaller of line 17 or line 18 here and on  
Form 1040, line 44 2,226.

**Vehicle Expenses - Schedule C**  
**BREAD SALESMAN**

	<u>Pickup Truck</u>	<u>Delivery Truck</u>
1. Date placed in service	1/02/02	1/02/02
2. Total mileage	7,584.	60,791.
3. Business mileage	2,421.	60,791.
4. Business use percentage (divide line 3 by line 2)	0.3192	1.0000
Standard Mileage Rate:		
5. Multiply line 3 by 44.5 cents (.445)	1,077.	27,052.
Actual Expenses:		
6. Gasoline, lube and oil		12,918.
7. Repairs		1,967.
8. Tires		
9. Insurance		2,191.
10. Miscellaneous		
11. Auto license (except personal property taxes)		
12. Value of employer-provided vehicle		
13. Vehicle rent or lease (less inclusion)		6,620.
14. Add lines 6 through 13	0.	23,696.
15. Multiply line 14 by line 4		23,696.
16. Depreciation and section 179 deduction		
17. Add lines 15 and 16	0.	23,696.
Total Vehicle Expenses:		
18. Enter line 5 or line 17	1,077.	23,696.
19. Parking fees and tolls		
20. Add lines 18 and 19	1,077.	23,696.
Vehicle Expense Allocation:		
21. Car and truck expenses	1,077.	17,076.
22. Depreciation		
23. Vehicle rent or lease payments		6,620.
24. Add lines 21, 22, and 23	1,077.	23,696.
25. Interest expense (business portion)		
26. Taxes and licenses (business portion)		
27. Personal property taxes (Schedule A)		

## 2006 Federal Depreciation Schedule

**MICHAEL S SMITH**

4/03/07

[illegible]



For the year ending Dec 31, 2006, or other tax year: Begin		End	
Your first name		Initial Last name	
• MICHAEL S SMITH			
Spouse's first name		Initial Last name	
•			
Present home address (number and street or P.O. Box number)			
•			
City, town or post office		State ZIP Code	
• LAFAYETTE, AL 36862			

Filing Status and Exemptions	1 •	\$1,500 Single	5 Name				
	2 •	\$3,000 Married filing joint return (even if only one spouse had income)		SSN			
	3 •	\$1,500 Married filing separate return. Complete line 5 with spouse's name and SSN.		Relationship	• Parent		
	4 •	<input checked="" type="checkbox"/> \$3,000 Head of family (with qualifying person). (See instructions.) Complete line 5.					
Income and Adjustments	6	Wages, salaries, tips, etc. (list each employer and address separately):	A - Alabama tax withheld		B - Income		
	a		6a •		6a •	00	
	b		6b •		6b •	00	
	c		6c •		6c •	00	
	d		6d •		6d •	00	
	7	Interest and dividend income (also attach Schedule B if over \$1,500) .....	7 •		190	00	
	8	Other income (from page 2, Part I, line 9) .....	8 •		32,945	00	
	9	Total income. Add amounts in the income column for line 6a through line 8 .....	9 •		33,135	00	
	10	Total adjustments to income (from page 2, Part II, line 8) .....	10 •		544	00	
	11	Adjusted gross income. Subtract line 10 from line 9 .....	11 •		32,591	00	
	Deductions	12	Check box a, if you itemize deductions, & enter amount from Sch A, line 26. Check box b, if you do not itemize deductions, and enter standard deduction (see instr): • <input checked="" type="checkbox"/> a Itemized Deductions .. • <input type="checkbox"/> b Standard Deduction	Box a or b MUST be checked			
		13	Federal tax deduction (see instructions) .....	12 •		7,865	00
14		Personal exemption (from line 1, 2, 3, or 4) .....	13 •		2,180	00	
15		Dependent exemption (from page 2, Part III, line 2) .....	14 •		3,000	00	
16		Total deductions. Add lines 12, 13, 14, and 15 .....	15 •		300	00	
17		Taxable income. Subtract line 16 from line 11 .....	16 •		13,345	00	
18		Income Tax due. Enter here and check if from: • <input type="checkbox"/> Form NOL-85A .....	17 •		19,246	00	
19		Less credits from: • <input checked="" type="checkbox"/> Schedule CR and/or • <input type="checkbox"/> Schedule DC .....	18 •		923	00	
20a		Net tax due Alabama. Subtract line 19 from line 18 .....	19 •		923	00	
20b		Consumer Use Tax (use worksheet in the instructions) .....	20a •		0	00	
21		Alabama Election Campaign Fund. You may make a voluntary contribution to the following: a Alabama Democratic Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input checked="" type="checkbox"/> none .....	20b •			00	
22		Total tax liability and voluntary contribution. Add lines 20a, 20b, 21a, and 21b. ....	21a •			00	
Payments	23	Alabama income tax withheld (from Forms W-2, W-2G, and/or 1099) .....	21b •			00	
	24	Amount paid with extension (attach Form 4868A) .....	22 •		0	00	
	25	2006 estimated tax payments (see instructions) .....	23 •				
	26	Total payments. Add lines 23 through 25 .....	24 •				
AMOUNT YOU OWE	27	If line 22 is larger than line 26, subtract line 26 from line 22, and enter AMOUNT YOU OWE. Place payment, along with Form 40V, loose in mailing envelope. (FORM 40V MUST ACCOMPANY PAYMENT.)	25 •				
	28	Estimated tax penalty. Also include on line 27 (see instructions) .....	26 •			00	
OVERPAID	29	If line 26 is larger than line 22, subtract line 22 from line 26, & enter amount OVERPAID.	27 •			00	
	30	Amount of line 29 to be applied to your 2007 estimated tax .....	28 •				
Donation Check-offs	31	Total Donation Check-offs from Schedule DC, line 2 .....	29 •				
	32	Total. Add line 30 and line 31 .....	30 •			00	
REFUND	33	REFUNDED TO YOU. (CAUTION: You must sign this return on page 2.) Subtract line 32 from line 29. For Direct Deposit, check here • <input type="checkbox"/> and complete Part V, Page 2 .....	31 •				
			32 •			00	

If an addressed envelope came with your return, please use it and follow the instructions on the envelope. If you do not have one, mail your return to one of the addresses below.

If you are not making a payment, mail your return to:  
Alabama Department of Revenue  
P.O. Box 154  
Montgomery, Alabama 36135-0001

If you are making a payment, mail your return, Form 40V, and payment to:  
Alabama Department of Revenue  
P.O. Box 2401  
Montgomery, Alabama 36140-0001

Mail only your 2006 Form 40 to one of the above addresses. Prior year returns, amended returns, and all other correspondence should be mailed to Alabama Department of Revenue, P.O. Box 327464, Montgomery, AL 36132-7464.

WHERE  
TO FILE  
FORM 40

**PART I**

**Other  
Income**  
(see  
instructions)

1	Alimony received	1	00
2	Business income or (loss) (attach Federal Schedule C or C-EZ)	2	26,905 00
3	Gain or (loss) from sale of Real Estate, Stocks, Bonds, etc (attach Schedule D)	3	6,040 00
4a	Total IRA distributions	4a	00
4b	Taxable amount (see instructions)	4b	00
5a	Total pensions & annuities	5a	00
5b	Taxable amount (see instructions)	5b	00
6	Rents, royalties, partnerships, estates, trusts, etc (attach Schedule E)	6	00
7	Farm income or (loss) (attach Federal Schedule F)	7	00
8	Other income (state nature and source - see instructions)	8	00
9	<b>Total other income.</b> Add lines 1 through 8. Enter here and also on page 1, line 8.	9	32,945 00

**PART II**

**Adjust-  
ments  
to Income**  
(see  
instructions)

1a	Your IRA deduction	1a	500 00
1b	Spouse's IRA deduction	1b	00
2	Payments to a Keogh retirement plan and self-employment SEP deduction	2	00
3	Penalty on early withdrawal of savings	3	44 00
4	Alimony paid. Recipient's last name, SSN, Address	4	00
5	Adoption expenses	5	00
6	Moving Expenses (at Federal Form 3903) to City, State, ZIP	6	00
7	Self-employed health insurance deduction	7	00
8	<b>Total adjustments.</b> Add lines 1 through 7. Enter here and also on page 1, line 10	8	544 00

**PART III**

**Dependents**

Do not include  
yourself or  
your spouse  
(see  
instructions)

1a Dependents:	(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) Did you provide more than one-half dependent's support?
				parent	Yes
b Total number of dependents claimed above					
2 Amount allowed. (Multiply \$300 by the total number of dependents claimed on line 1b.) Enter amount here and on page 1, line 15.					
2 300 00					

**PART IV**

**General  
Information**

**All  
Taxpayers  
Must  
Complete  
This  
Section**

1	<b>Residency</b> <input checked="" type="checkbox"/> Full Year If you were a part-year resident of AL during 2006, indicate your period of residence: Check only one box <input type="checkbox"/> Part Year From 2006 through 2006. Total months
2	Did you file an Alabama income tax return for the year 2005? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	If no, state reason.
4	Give name and address of present employer(s): Yours: FLOWERS BAKING CO. OF OPELIKA 101 SIMMONS STREET OPELIKA AL 36801 Your spouse's:
5	Enter the Federal Adjusted Gross Income • \$ 32,591. and Federal Taxable Income • \$ 18,441. as reported on your 2006 Federal Individual Income Tax Return.
6	Do you have income which is reported on your Federal return, but not reported on your AL return (other than your state tax refund)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, enter source(s) and amount(s) below: (other than state income tax refund) Source Amount 00 Source Amount 00
7	Do you have income included in this return from a grantor trust? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**PART V**

**Direct  
Deposit**

**Sign  
Here**

Keep a copy of  
this return for  
your records.

For Direct Deposit of your refund, complete 1, 2, and 3 below. (See instructions to see if you qualify.)			
1	Routing Number:	2	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
3	Account Number:		
<input checked="" type="checkbox"/> I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer. Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Preparer's signature	Date	Daytime telephone number	Your occupation
ALEXANDER WALTON	4/03/07		SALESMAN
Preparer's signature	Date	Daytime telephone number	Spouse's occupation
Alexander Walton PC			
Preparer's signature	Date	Daytime telephone number	Preparer's SSN or PTIN
ALEXANDER WALTON	4/03/07		
Firm's name (or yours if self-employed)	Daytime telephone number		
Alexander Walton PC			

**Paid  
Preparer's  
Use Only**

Name(s) as shown on Form 40

Your social security number

**MICHAEL S SMITH**

The itemized deductions you may claim for the year 2006 are similar to the itemized deductions claimed on your Federal return, however, the amounts may differ. Please see instructions before completing this schedule, **PART-YEAR RESIDENTS**: A resident of Alabama for only a part of the year should list below only those deductions actually paid while a resident of Alabama.

<b>CAUTION: Do not include expenses reimbursed or paid by others.</b>			
<b>Medical and Dental Expenses</b> (See instructions)	1 Medical and dental expenses	1	4,544 00
	2 Enter amount from Form 40, line 11	2	32,591 00
	3 Multiply the amount on line 2 by 4% (.04). Enter the result	3	1,304 00
	4 Subtract line 3 from line 1. Enter the result. If zero or less, enter -0-	4	3,240 00
<b>Taxes You Paid</b> (See instructions)	5 Real estate taxes	5	448 00
	6 FICA Tax (Social Security & Medicare) and Federal Self-Employment Tax	6	4,014 00
	7 Railroad Retirement (Tier 1 only)	7	00
	8 Other taxes. (List -- include personal property taxes.) ▶ <b>Personal Property Taxes</b>	8	138 00
	9 Add the amounts on lines 5 through 8. Enter the total here	9	4,600 00
<b>Interest You Paid</b> (See instructions)	10a Home mortgage interest & points reported to you on Federal Form 1098	10a	00
	b Home mortgage int not reported to you on Fed Form 1098. (If paid to an individual, show that person's name & addr.) ▶		
<b>NOTE:</b> Personal interest is not deductible.	10b		00
	11 Points not reported to you on Form 1098	11	00
	12 Investment interest (Attach Form 4952A)	12	00
	13 Add the amounts on lines 10a through 12. Enter the total here	13	0 00
<b>Gifts to Charity</b> (See instructions)	14 Contributions by cash or check	14	25 00
	15 Other than cash or check. (You MUST att Fed Form 8283 if over \$500.)	15	00
	16 Carryover from prior year	16	00
	17 Add the amounts on lines 14 through 16. Enter the total here	17	25 00
<b>Casualty and Theft Loss</b> (Attach Form 4684)	18a Enter the amount from Federal Form 4684, line 16 (See instructions)	18a	00
	b Enter 10% of your adjusted gross income (Form 40, line 11)	18b	00
	c Subtract line 18b from line 18a. If zero or less, enter -0-	18c	0 00
<b>Job Expenses and Most Other Miscellaneous Deductions</b> (See instructions)	19 Unreimbursed employee expenses -- job travel, union dues, job education, etc (You MUST attach Federal Form 2106 if required. See instructions.) ▶	19	00
	20 Other expenses (investment, tax preparation, safe deposit box, etc). List type and amount ▶	20	00
	21 Add the amounts on lines 19 and 20. Enter the total	21	00
	22 Multiply the amount on Form 40, line 11 by 2% (.02). Enter the result here	22	00
	23 Subtract line 22 from line 21. Enter the result. If zero or less, enter -0-	23	0 00
<b>Other Miscellaneous Deductions</b>	24 Other (from list in instructions). List type and amount ▶	24	0 00
<b>Qualified Long-Term Care Ins Premiums</b>	25 Enter amount here.	25	0 00
<b>Total Itemized Deductions</b>	26 Add the amounts on lines 4, 9, 13, 17, 18c, 23, 24, and 25. Enter the total here. Then enter on Form 40, page 1, line 12.	26	7,865 00

# **SCHEDULE B – Interest and Dividend Income**

If you received more than \$1500 of interest and dividend income, you must complete Schedule B. See instructions.

List Payers and Amounts		A Exempt Interest	B Taxable Interest and Dividends
I N T E R E S T	1 FARMERS & MERCHANTS BANK	00	187 00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
Subtotal		00	187 00
D I V I D E N D S	2 WALMART, INC. ASOP		3 00
			00
			00
			00
			00
			00
			00
			00
			00
			00
Subtotal			3 00
3 TOTAL TAXABLE INTEREST AND DIVIDENDS. Enter here and on Form 40, page 1, line 7.		3	190 00

# **SCHEDULE CR – Credit for Taxes Paid to Other States**

See instructions.

PLEASE You may need to fill out the worksheet in the instructions before completing this schedule. This credit will **NOT** be allowed unless  
 NOTE: you file a nonresident income tax return with the other state and attach a copy of that 2006 return to your Alabama return.

1	2006 taxable income as shown on the <u>Georgia</u> state return	1	24,483 00	If more than one "other" state uses Schedule CR worksheet, if using the worksheet, line 5 (below) will equal worksheet Part 5, line 21.
	(name of state)			
2	Tax due the other state using Alabama tax rates	2	1,183 00	
3	Tax due the other state as shown on that state's return or Form W-2G	3	1,207 00	
4	Tax due Alabama from Form 40, page 1, line 18	4	923 00	
5	CREDIT ALLOWABLE. Enter the amount from line 2, 3, 4, or the amount from the worksheet in the instructions, whichever is smallest. If you have no other credits, enter amount from line 5 to Form 40, page 1, line 19. If you have other credits, enter the amount from line 5 to Schedule OC, Part A, line 1, and complete	5	923 00	

# **SCHEDULE DC – Donation Check-Offs**

1 You may donate all or part of your overpayment. (Enter the amount in the appropriate boxes.)			
a Senior Services Trust Fund	00	i Mental Health	00
b Alabama Arts Development Fund	00	j Neighbors Helping Neighbors	00
c Alabama Nongame Wildlife Fund	00	k Alabama Breast & Cervical Cancer Program	00
d Child Abuse Trust Fund	00	l Alabama 4-H Club	00
e Alabama Veterans Program	00	m Alabama Organ Center Donor Awareness Fund	00
f Alabama Indian Children's Scholarship Fund	00	n Alabama National Guard Foundation Incorporated	00
g Penny Trust Fund	00	o Cancer Research Institute	00
h Foster Care Trust Fund	00		
2 Total Donations. Add lines 1a, b, c, d, e, f, g, h, i, j, k, l, m, n, and o. Enter here and on page 1, line 31		00	

ATTACH TO FORM 40 — SEE INSTRUCTIONS FOR SCHEDULES D AND E

**Your social security number**

**Net Profit or Loss From Sale of Real Estate, Stocks, Bonds, etc.**

<b>1 TOTAL NET PROFIT OR (LOSS).</b> Enter here and on Form 40, page 2, Part I, line 3. . . . .		<b>1</b>	<b>6,040.00</b>
---	--	----------	-----------------



Name of proprietor  
 MICHAEL S SMITH

<b>A</b> Principal business or profession, including product or service (see instructions) <b>BREAD SALESMAN</b>	<b>B</b> Enter code from instructions <b>722300</b>
<b>C</b> Business name, if no separate business name, leave blank. <b>FLOWERS BAKING BREAD ROUTE</b>	<b>D</b> Employer ID number (EIN), if any
<b>E</b> Business address (including suite or room no.) City, town or post office, state, and ZIP code	
<b>F</b> Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify)	
<b>G</b> Did you 'materially participate' in the operation of this business during 2006? If 'No,' see instructions for limit on losses. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>H</b> If you started or acquired this business during 2006, check here	

**Part I Income**

1 Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. <input checked="" type="checkbox"/>	1	67,741.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	67,741.
4 Cost of goods sold (from line 42 on page 2)	4	
5 <b>Gross profit.</b> Subtract line 4 from line 3	5	67,741.
6 Other income, including federal and state gasoline or fuel tax credit or refund	6	
7 <b>Gross income.</b> Add lines 5 and 6	7	67,741.

**Part II Expenses.** Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18 Office expense	18	126.
9 Car and truck expenses (see instructions)	9	18,153.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	6,620.
12 Depletion	12		b Other business property	20b	1,274.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	3,025.
15 Insurance (other than health)	15	2,081.	23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc)	16a		a Travel	24a	
b Other	16b	4,523.	b Deductible meals and entertainment	24b	
17 Legal & professional services	17		25 Utilities	25	
28 <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27 in columns	28		26 Wages (less employment credits)	26	
29 Tentative profit (loss). Subtract line 28 from line 7	29		27 Other expenses (from line 48 on page 2)	27	5,034.
30 Expenses for business use of your home. Attach Form 8829	30				
31 <b>Net profit or (loss).</b> Subtract line 30 from line 29.	31				

• If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation.	<input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation.	35
36	Purchases less cost of items withdrawn for personal use.	36
37	Cost of labor. Do not include any amounts paid to yourself.	37
38	Materials and supplies.	38
39	Other costs.	39
40	Add lines 35 through 39.	40
41	Inventory at end of year.	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.	42

**Part IV Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year)                     

44 Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for:  
a Business                      b Commuting (see instructions)                      c Other                     

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

47 a Do you have evidence to support your deduction? ☐ Yes ☐ No  
b If "Yes," is the evidence written? ☐ Yes ☐ No

**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

Accounting	898.
Amortization	2,985.
Miscellaneous	46.
Telephone	936.
Uniforms	169.
48 Total other expenses. Enter here and on page 1, line 27.	5,034.

4/03/07

07:36PM

IRA Deduction Worksheet (Form 40, Part II, Line 1)

Taxpayer

1. Were you covered by a retirement plan? No  
YES (for either if MFJ). Go to line 2.  
NO (for both if MFJ). Skip lines 2-6.  
Enter \$4,000 (or \$5,000 if age 50 or older)  
on line 7. Then go to line 8.
2. Enter the threshold for your filing status.
3. Enter total income (before adjustments).
4. Add adjustments to income (other than  
the IRA deduction).
5. Subtract line 4 from line 3 (not < 0).
6. Subtract line 5 from line 2 (not < 0).
7. Multiply line 6 by 40% (or by 50% if age  
50 or over). Round up to the next multiple  
of \$10. If the result is more than zero and  
less than \$200, enter \$200. If the result is  
more than \$4,000 (or \$5,000 if age 50 or older),  
enter \$4,000 (or \$5,000). 4,000.
8. Wages, alimony, and nontaxable combat pay 0.
9. Self-employed earned income minus the one-half  
of self-employment tax adjustment and the  
self-employed retirement plan adjustment. 26,905.
10. Total earned income (add lines 8 and 9) 26,905.

Deductible IRA Contributions:

11. Enter IRA contributions you made, or  
will make by April 16, 2007, for 2006. 500.
12. Enter the smallest of line 7, 10 or 11.  
This is the most you can deduct on  
Form 40, Part II, line 1. 500.

Nondeductible IRA Contributions:

13. Subtract line 12 from the smaller of line  
10 or line 11. Enter the part you choose to  
make nondeductible on Form 8606, line 1. 0.



12/31/06

## 2006 Alabama Depreciation Schedule

**MICHAEL S SMITH**

4/03/07

[illegible]

0700401516  
Georgia Form 500 (Rev. 9/06)  
Individual Income Tax Return  
Georgia Department of Revenue  
2006 (Approved software version)

☒ Check if you DO NOT want a booklet next year

DEL ☐ EXT ☐

Fiscal Year Beginning

Fiscal Year Ending

1 Your First Name

Initial

Your Social Security Number

MICHAEL

S

Your Last Name

Suffix

SMITH

Spouse's First Name

Initial

Spouse's Social Security Number

Spouse's Last Name

Suffix

DEPARTMENT USE ONLY

2 Address (Check if Address has Changed) (Use 2nd address line for Apt, Suite, Unit or Bldg number)

GAIA0112L 12/12/06

3 City LAFAYETTE

State AL

Zip Code 36862

Country (if Foreign)

4 Enter your Residency Status with the appropriate number..... 4

Residency Status  
3

1 Full-Year Resident 2 Part-Year Resident from to 3 Nonresident

Part-Year Residents and Nonresidents must omit Lines 9 thru 14 and use Schedule 3 of Form 500, page 4

5 Enter Filing Status with appropriate letter (Must be the same status used on your Federal Return)..... 5

Filing Status  
D

A Single C Married filing separate (Spouse's social security number must be entered above)

B Married filing joint D Head of Household or Qualifying Widow(er)

6 Number of exemptions (Check appropriate box(es) and enter total in 6c.) 6a Yourself X 6b Spouse 6c 1

Dependents (If you have more than 3 dependents, attach a list of additional dependents)

First Name

Last Name

Dependent's SSN

Relationship to You  
PARENT

7a Number of Dependents (DO NOT include yourself or your spouse)..... 7a 1

b Add Lines 6c and 7a. Enter total..... 7b 2

8 Federal adjusted gross income (From Federal Form 1040, 1040A or 1040EZ)..... 8 32591.

(Do not use FEDERAL TAXABLE INCOME)

If the amount on Line 8 is \$40,000 or more, or your gross income is less than your W-2s, you must enclose a copy of your Federal Form 1040 Pages 1 and 2. Do not enclose other Federal Schedules

9 Adjustments from Schedule 1 (See instructions)..... 9

10 Georgia adjusted gross income (Net total of Line 8 and Line 9)..... 10

11 Standard Deduction (Do not use FEDERAL STANDARD DEDUCTION) see instructions..... 11a

b Self: 65 or over? Blind? Spouse: 65 or over? Blind?..... 11b

Total of Boxes x 1,300 =..... 11b

c Total Standard Deduction (Line 11a + Line 11b)..... 11c

Use EITHER Line 11c OR Line 12C (Do not write on both lines)

12 Total Itemized Deductions used in computing Federal Taxable Income. If you use itemized deductions, you must enclose Federal Schedule A

Itemized Deductions (Schedule A-Form 1040)

Less: see instructions for Line 12

12a

12b

12c

Georgia Form 500  
Individual Income Tax Return  
Georgia Department of Revenue  
2006

0700401526

Your Social Security Number

13	Subtract either Line 11c or Line 12c from Line 10; enter balance	13	
14a	Number on Line 6c multiplied by \$2,700	14a	
14b	Number on Line 7a multiplied by \$3,000	14b	
14c	Add Lines 14a and 14b. Enter total	14c	
15	Georgia taxable income (Line 13 less Line 14c or Schedule 3, Line 14)	15	24483.
16	Tax (Use Tax Table in the instructions)	16	1207.
17	Credits from Schedule 2, Page 3, Line 7 (Enter total but not more than the amount on Line 16)	17	
18	Balance (Line 16 less Line 17) if zero or less than zero, enter zero	18	1207.
19	Georgia Income Tax Withheld (Enter Tax Withheld Only and enclose W-2s, 1099s, etc.)	19	
20	Estimated Tax for 2006 and Form IT-560	20	2120.
21	Low Income Credit (see instructions) 21a 21b	21c	
22	Department Use Only. DO NOT WRITE IN THIS BOX	22	
23	Total prepayment credits (Add Lines 19, 20 and 21c)	23	2120.
24	If Line 18 exceeds Line 23 enter BALANCE DUE STATE	24	
25	If Line 23 exceeds Line 18 enter OVERPAYMENT amount	25	913.
26	Amount to be credited to 2007 ESTIMATED TAX	26	
27	Georgia Wildlife Conservation Fund (No gift of less than \$1.00)	27	
28	Georgia Children and Elderly Fund (No gift of less than \$1.00)	28	
29	Georgia Cancer Research Fund (No gift of less than \$1.00)	29	
30	Georgia Greenspace Trust Fund (No gift of less than \$1.00)	30	
31	Georgia National Guard Foundation (No gift of less than \$1.00)	31	
32	Dog and Cat Sterilization Fund (No gift of less than \$1.00)	32	
33	Form 500 UET (Estimated tax penalty)	33	
34	(If you owe) Add Lines 24, and Lines 27 thru 33. THIS IS THE AMOUNT YOU OWE	34	
Sign below and mail 525-TV with return and payment to: Georgia Department of Revenue, Processing Center, PO Box 105613, Atlanta, Georgia, 30348-5613. DO NOT STAPLE YOUR CHECK, W-2'S OR TAX RETURN.			
35	(If you are due a refund) Subtract the sum of Lines 26 thru Line 33 from Line 25 THIS IS YOUR REFUND	35	913.

Sign below and mail return to: Georgia Department of Revenue, Processing Center, PO Box 105597, Atlanta, Georgia, 30348-5597. DO NOT STAPLE YOUR W-2'S NOR TAX RETURN.

Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia. Under penalty of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Taxpayer's Signature (Check box if deceased)

Date

Daytime Phone Number



Check the box to authorize the Georgia Department of Revenue to discuss the contents of this tax return with the named preparer.

Spouse's Signature (Check box if deceased)

Date

Alexander Walton PC

ALEXANDER WALTON

Name of Preparer if other than taxpayer

Preparer's FEIN

Preparer's SSN/PTIN

ALEXANDER WALTON

Signature of Preparer

**SCHEDULE 3 COMPUTATION OF GEORGIA TAXABLE INCOME FOR ONLY PART-YEAR RESIDENTS AND NONRESIDENTS**  
Income earned in another state as a Georgia resident is taxable but other state(s) tax credit may apply. See instructions.

**DO NOT USE LINES 9 THRU 14 OF PAGES 1 AND 2, FORM 500**

	Federal Income after Georgia Adjustments	Income not Taxable to Georgia	Georgia Income
	<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>
<b>INCOME</b>			
1 Wages, Salaries, Tips, etc.....			
2 Interest and Dividends.....	190.	190.	
3 Business Income or (Loss).....	26905.		26905.
4 Other Income or (Loss).....	6040.	-3.	6043.
5 Total Income: Total Lines 1 thru 4.....	33135.	187.	32948.
<b>ADJUSTMENTS TO INCOME</b>			
6 Total adjustment from Federal Form 1040.....	544.	44.	500.
7 Total adjustment from Form 500, Schedule 1, Page 3..... (See instructions)			
8 Adjusted Gross Income: Line 5 plus or minus Lines 6 and 7.....	32591.	143.	32448.
9 <b>RATIO:</b> Divide Line 8, Column C by Line 8, Column A. Enter percentage.....		99.56	% Not to exceed 100%
10 Itemized or Standard Deduction (See instructions).....		2300.	
11 Personal Exemption from Form 500, Page 1 (See instructions)			
11 a Number on Line 6c 1 multiplied by \$2,700		2700	
11 b Number on Line 7a 1 multiplied by \$3,000		3000	
11 c Add lines 11a and 11b. Enter total.....		5700.	
12 Total Deductions and Exemptions: Add Lines 10 and 11c.....		8000.	
13 Multiply Line 12 by Ratio on Line 9 and enter result.....			7965.
14 Georgia Taxable Income: Subtract Line 13 from Line 8, Column C Enter here and on Line 15, Page 2 of Form 500.....			24483.

List the state(s) in which the income in Column B was earned and/or to which it was reported.

- 1 ALABAMA
- 2
- 3
- 4

Farmers &amp; Merchants Bank

Payer's  
Fed I.D. No.OMB No.  
Interest Income  
Form 1099-INT  
Copy B  
For Recipient  
For year 2006

MICHAEL SMITH

Recipient's  
Tax I.D. No.

UNAPPORTIONED AS 00000

Account Information	Interest Income	Interest on U.S. Bonds & Treas	Federal Tax Withheld
SAV	15.24		
CD	172.16		
-----			
BOX 1 Interest Income. . . . .			187.40
BOX 2 Early withdrawal penalty . . . . .			43.53
BOX 3 Interest on U.S. Savings Bonds and Treas. obligations			
BOX 4 Federal income tax withheld. . . . .			
BOX 5 Investment expenses. . . . .			
BOX 6 Foreign Tax paid . . . . .			
BOX 7 Foreign country or U.S. Possession			
BOX 8 Tax-exempt interest. . . . .			
BOX 9 Specified private activity bond interest . . . . .			

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

(Keep for your records.)

the Form 990, the filer must attach Form 990-B to the Form 990 if the filer has received or is due to receive a refund of the Form 990-B tax. The filer must also attach Form 990-B to the Form 990 if the filer has received or is due to receive a refund of the Form 990-B tax. The filer must also attach Form 990-B to the Form 990 if the filer has received or is due to receive a refund of the Form 990-B tax.

Page 73 of 83

[illegible]

Instructions for Form 4072 are provided in the instructions for Form 4072, which are available from the IRS. The instructions for Form 4072 are available from the IRS. The instructions for Form 4072 are available from the IRS.

When the IRAS box is checked the

[illegible]

citizenship. Turn page 100 to fill in Form 497.

Remember to include this on your income tax return.

inhold, and if box 4 shows an amount (other than zero), enter  
return, zero. 13. If you are a partner in a partnership, or a  
beneficial owner of a partnership, enter the name of the partnership in box 14.

Form W-4P

...the ... of ...

...the ... ..

...and it was a relief to find that the...  
...and it was a relief to find that the...  
...and it was a relief to find that the...

Do not check this box if you are an individual taxpayer. See instructions for Form 9972. If you did not receive a Form 9972 from the seller, this box is not applicable to employee contributions for the year of the exercising.

Why does center the Individual's Personal Finance  
 - See "Individual's Personal Finance" for more information. Also  
 for Forms 5329 and 5808. For more information, see the  
 instructions for Form 5329-2. For more information, see the  
 instructions for Form 5329-2.

3-Exempt 4-Debit 5-Prohibited transaction 6-Section 501(c)(3) organization 7-Exempt 8-Exempt 9-Exempt 10-Exempt 11-Exempt 12-Exempt 13-Exempt 14-Exempt 15-Exempt 16-Exempt 17-Exempt 18-Exempt 19-Exempt 20-Exempt 21-Exempt 22-Exempt 23-Exempt 24-Exempt 25-Exempt 26-Exempt 27-Exempt 28-Exempt 29-Exempt 30-Exempt 31-Exempt 32-Exempt 33-Exempt 34-Exempt 35-Exempt 36-Exempt 37-Exempt 38-Exempt 39-Exempt 40-Exempt 41-Exempt 42-Exempt 43-Exempt 44-Exempt 45-Exempt 46-Exempt 47-Exempt 48-Exempt 49-Exempt 50-Exempt 51-Exempt 52-Exempt 53-Exempt 54-Exempt 55-Exempt 56-Exempt 57-Exempt 58-Exempt 59-Exempt 60-Exempt 61-Exempt 62-Exempt 63-Exempt 64-Exempt 65-Exempt 66-Exempt 67-Exempt 68-Exempt 69-Exempt 70-Exempt 71-Exempt 72-Exempt 73-Exempt 74-Exempt 75-Exempt 76-Exempt 77-Exempt 78-Exempt 79-Exempt 80-Exempt 81-Exempt 82-Exempt 83-Exempt 84-Exempt 85-Exempt 86-Exempt 87-Exempt 88-Exempt 89-Exempt 90-Exempt 91-Exempt 92-Exempt 93-Exempt 94-Exempt 95-Exempt 96-Exempt 97-Exempt 98-Exempt 99-Exempt 100-Exempt

Form 4872, R—Designated  
D—Designated  
E—Excluded  
F—Excluded  
G—Excluded

no direct effect of IRA on the probability of a person's being in the labor force. The effect of IRA on the probability of a person's being in the labor force is indirect, operating through the effect of IRA on the probability of a person's being in the labor force.

3. For HLA expression, recipient animals

[illegible]

...the ... ..  
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... the percentage ...

[illegible]

State income taxes are withheld from the distribution because the part of the distribution cannot be state and/or city tax.

0957 | 16-17

16. Certificate for Person or Family: ☐ Comments

### State Taxes on Qualified Plans (Including IRAs) and Other Tax-Deferred Plans

СЕРИЯ 1-А

General Plans for Small Business (SBA), SBA, and Qualified Plans  
 Deferred Annuity Plans (including Plans,  
 and other plans, etc.)

The following information is provided for the purpose of providing information to the public regarding the proposed project.

For a full list of products and services, visit our website at [www.hillrom.com](http://www.hillrom.com).

1 Wages, tips, other comp. 67740.62		2 Federal income tax withheld	
3 Social security wages 48909.66		4 Social security tax withheld 3032.40	
5 Medicare wages and tips 48909.66		6 Medicare tax withheld 709.19	
a Control number	Dept.	Corp.	Employee use only
		SV24	1373
c Employer's name, address, and ZIP code FLOWERS BAKING CO OF OPELIKA LLC 101 SIMMONS STREET OPELIKA, AL 36801			
b Employer's FED ID number		d Employee's SSA number	
8			
9 Advance EIC payment		10 Dependent care benefits	
11 Nonqualified plans		12a See instructions for box 12	
14 Other		12b	
		12c	
		12d	
		13 Stat emp./Ret. plan 3rd party sick pay: X	
e1 Employee's name, address and ZIP code MICHAEL S SMITH 12			
15 State GA	Employer's state ID no.	16 State wages, tips, etc.	67740.62
17 State income tax		18 Local wages, tips, etc.	
19 Local income tax		20 Locality name	
GA. State Filing Copy W-2 Wage and Tax Statement 2006 Copy 2 to be filed with employer's State Income Tax Return. Form No. 15-45-0008			

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State: 0  
Local: 0

OLD AND DELEGATE

DOI: 10.1002/for



**Box 8.** This amount is not included in boxes 1, 3, 5, or 7. For information on how to report tips on your tax return, see your Form 1040 instructions.

**Box 9.** Enter this amount on the advance earned income credit payments line of your Form 1040 or Form 1040A.

**Box 10.** This amount is the total dependent care benefits that your employer paid to you or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over \$5,000 also is included in box 1. You must complete Schedule 2 (Form 1040A) or Form 2441, Child and Dependent Care Expenses, to compute any taxable and nontaxable amounts.

**Box 11.** This amount is: (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or nongovernmental section 457(b) plan or (b) included in box 3 and/or 5 if it is a prior year deferral under a nonqualified or section 457(b) plan that became taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount.

**Box 12.** The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, and S) and designated Roth contributions (codes AA and BB) under all plans are generally limited to a total of \$15,000 (\$10,000 if you only have SIMPLE plans; \$18,000 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code G are limited to \$15,000. Deferrals under code H are limited to \$7,000.

However, if you were at least age 50 in 2006, your employer may have allowed an additional deferral of up to \$5,000 (\$2,500 for section 401(k)(11) and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals. For code G, the limit on elective deferrals may be higher for the last three years before you reach retirement age. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit must be included in income. See the "Wages, Salaries,

your wages, salaries, and other compensation for the year shown, not the current year. If no year is shown, the contributions are for the current year.

**D**—Uncollected social security or RRTA tax on tips. Include this tax on Form 1040. See "Total Tax" in the Form 1040 instructions.

**E**—Uncollected Medicare tax on tips. Include this tax on Form 1040. See "Total Tax" in the Form 1040 instructions.

**C**—Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to social security wage base), and 5).

**D**—Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

**E**—Elective deferrals under a section 403(b) salary reduction agreement.

**F**—Elective deferrals under a section 408(k)(6) salary reduction SEP.

**G**—Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan.

**H**—Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan. See "Adjusted Gross Income" in the Form 1040 instructions for how to deduct.

**J**—Nontaxable sick pay (information only, not included in boxes 1, 3, or 5).

**K**—20% excise tax on excess golden parachute payments. See "Total Tax" in the Form 1040 instructions.

**L**—Substantiated employee business expense reimbursements (nontaxable).

**M**—Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See "Total Tax" in the Form 1040 instructions.

**N**—Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See "Total Tax" in the Form 1040 instructions.

**R**—Employer contributions to your Archer MSA. Report on Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.

**S**—Employee salary reduction contributions under a section 408(p) SIMPLE (not included in box 1).

**T**—Adoption benefits (not included in box 1). You must complete Form 8839, Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.

**V**—Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3 (up to social security wage base), and 5).

**W**—Employer contributions to your Health Savings Account. Report on Form 8889, Health Savings Accounts (HSAs).

**Y**—Deferrals under a section 408A nonqualified deferred compensation plan.

**Z**—Income under section 409A on a nonqualified deferred compensation plan. This amount is also included in box 1. It is subject to an additional 20% tax plus interest. See "Total Tax" in the Form 1040 instructions.

**AA**—Designated Roth contributions to a section 401(k) plan.

**BB**—Designated Roth contributions under a section 403(b) salary reduction agreement.

**Box 13.** If the "Retirement plan" box is checked, special limits may apply to the amount of traditional IRA contributions that you may deduct.

**Note:** Keep Copy C of Form W-2 for at least 3 years after the due date for filing your income tax return. However, to help protect your social security benefits, keep Copy C until you begin receiving social security benefits, just in case there is a question about your work record and/or earnings in a particular year. Review the information shown on your annual (for workers over 25) Social Security Statement.

This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.

Department of the Treasury - Internal Revenue Service

**NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.**

This information is being furnished to the Internal Revenue Service.

**IMPORTANT NOTE:**

In order to insure efficient processing, attach this W-2 to your tax return like this (following agency instructions):

<b>TAX RETURN</b>	
<b>THIS FORM W-2</b>	<b>OTHER W-2'S</b>

NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

## Notice to Employee

**Refund.** Even if you do not have to file a tax return, you should file to get a refund if box 2 shows federal income tax withheld or if you can take the earned income credit.

**Earned income credit (EIC).** You must file a tax return if any amount is shown in box 9.

You may be able to take the EIC for 2006 if: (a) you do not have a qualifying child and you earned less than \$12,120 (\$14,120 if married filing jointly), (b) you have one qualifying child and you earned less than \$32,001 (\$34,001 if married filing jointly), or (c) you have more than one qualifying child and you earned less than \$36,348 (\$38,348 if married filing jointly). You and any qualifying children must have valid social security numbers (SSNs). You cannot take the EIC if your investment income is more than \$2,800. **Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return.** If you have at least one qualifying child, you may get as much as \$1,648 of the EIC in advance by completing Form W-5, Earned Income Credit Advance Payment Certificate, and giving it to your employer.

**Clergy and religious workers.** If you are not subject to social security and Medicare taxes, see Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

**Corrections.** If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. If your name and SSN are correct but are not the same as shown on your social security card, you should ask for a new card at any SSA office or call 1-800-772-1213.

**Credit for excess taxes.** If you had more than one employer in 2006 and more than \$5,840.40 in social security and/or Tier I railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and more than \$3,075.60 in Tier II RRTA tax was withheld, you also may be able to claim a credit. See your Form 1040 or Form 1040A instructions and Publication 505, Tax Withholding and Estimated Tax.



a Control number 000090498 WS3	Dept. SV24	Employer use only 1372
Employer's name, address, and ZIP code FLOWERS BAKING CO OF OPELIKA LLC 101 SIMMONS STREET OPELIKA, AL 36801		
e/f Employee's name, address, and ZIP code MICHAEL S SMITH LAFAYETTE, AL 36862		
b Employer's FED ID number	d Employee's SSA number	

GROSS PAY 67,740.62  
FED. INCOME TAX WITHHELD BOX 02 OF W-2 0.00  
STATE INCOME TAX BOX 17 OF W-2 0.00  
LOCAL INCOME TAX BOX 19 OF W-2 0.00

SOCIAL SECURITY TAX WITHHELD BOX 04 OF W-2 3,032.40  
MEDICARE TAX WITHHELD BOX 06 OF W-2 709.19  
SUI/SDI BOX 14 OF W-2 0.00

3 Social security wages 48909.66	4 Social security tax withheld 3032.40
5 Medicare wages and tips 48909.66	6 Medicare tax withheld 709.19
7 Social security tips	8 Allocated tips
9 Advance EIC payment	10 Dependent care benefits
11 Nonqualified plans	12a See instructions for box 12
14 Other	12b 12c 12d
15 State Employer's state ID no. TOTAL STATE	16 State wages, tips, etc.
17 State income tax	18 Local wages, tips, etc.
19 Local income tax	20 Locality name

To change your employee W-4 profile information  
file a new W-4 with your payroll department

MICHAEL S SMITH  
36862

Social Security Number:  
Taxable Marital Status:  
SINGLE  
Exemptions/Allowances:  
Federal: 0  
State: 0  
Local: 0

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1 Wages, tips, other comp. 67740.62	2 Federal income tax withheld
3 Social security wages 48909.66	4 Social security tax withheld 3032.40
5 Medicare wages and tips 48909.66	6 Medicare tax withheld 709.19
a Control number 000090498 WS3	Dept. SV24
Employer's name, address, and ZIP code FLOWERS BAKING CO OF OPELIKA LLC 101 SIMMONS STREET OPELIKA, AL 36801	Employer use only 1372
b Employer's FED ID number	d Employee's SSA number
9 Advance EIC payment	10 Dependent care benefits
11 Nonqualified plans	12a See instructions for box 12
14 Other	12b 12c 12d
e/f Employee's name, address and ZIP code MICHAEL S SMITH LAFAYETTE, AL 36862	13 Stat emp./Ret. plan 3rd party sick pay X
15 State Employer's state ID no. TOTAL STATE	16 State wages, tips, etc.
17 State income tax	18 Local wages, tips, etc.
19 Local income tax	20 Locality name

1 Wages, tips, other comp. 67740.62	2 Federal income tax withheld
3 Social security wages 48909.66	4 Social security tax withheld 3032.40
5 Medicare wages and tips 48909.66	6 Medicare tax withheld 709.19
a Control number 000090498 WS3	Dept. SV24
Employer's name, address, and ZIP code FLOWERS BAKING CO OF OPELIKA LLC 101 SIMMONS STREET OPELIKA, AL 36801	Employer use only 1372
b Employer's FED ID number	d Employee's SSA number
9 Advance EIC payment	10 Dependent care benefits
11 Nonqualified plans	12a See instructions for box 12
14 Other	12b 12c 12d
e/f Employee's name, address and ZIP code MICHAEL S SMITH LAFAYETTE, AL 36862	13 Stat emp./Ret. plan 3rd party sick pay X
15 State Employer's state ID no. AL 15079	16 State wages, tips, etc. 67740.62
17 State income tax	18 Local wages, tips, etc.
19 Local income tax	20 Locality name

1 Wages, tips, other comp. 67740.62	2 Federal income tax withheld
3 Social security wages 48909.66	4 Social security tax withheld 3032.40
5 Medicare wages and tips 48909.66	6 Medicare tax withheld 709.19
a Control number 000090498 WS3	Dept. SV24
Employer's name, address, and ZIP code FLOWERS BAKING CO OF OPELIKA LLC 101 SIMMONS STREET OPELIKA, AL 36801	Employer use only 1372
b Employer's FED ID number 63-	d Employee's SSA number
7 Se	s
9 Advance EIC payment	10 Dependent care benefits
11 Nonqualified plans	12a See instructions for box 12
14 Other	12b 12c 12d
e/f Employee's name, address and ZIP code MICHAEL S SMITH LAFAYETTE, AL 36862	13 Stat emp./Ret. plan 3rd party sick pay X
15 State Employer's state ID no. AL	16 State wages, tips, etc. 67740.62
17 State income tax	18 Local wages, tips, etc.
19 Local income tax	20 Locality name

Federal Filing Copy  
**W-2** Wage and Tax Statement  
2006  
OMB No. 1545-0008  
Copy 2 to be filed with employee's Federal Income Tax Return.

AL. State Reference Copy  
**W-2** Wage and Tax Statement  
2006  
OMB No. 1545-0008  
Copy 2 to be filed with employee's State Income Tax Return.

AL. State Filing Copy  
**W-2** Wage and Tax Statement  
2006  
OMB No. 1545-0008  
Copy 2 to be filed with employee's State Income Tax Return.

**Box 6.** This amount is not included in boxes 1, 3, 5, or 7. For information on how to report tips on your tax return, see your Form 1040 instructions.

**Box 8.** Enter this amount on the advance earned income credit payments line of your Form 1040 or Form 1040A.

**Box 10.** This amount is the total dependent care benefits that your employer paid to you or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over \$5,000 also is included in box 1. You must complete Schedule 2 (Form 1040A) or Form 2441, Child and Dependent Care Expenses, to compute any taxable and nontaxable amounts.

**Box 11.** This amount is: (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or nongovernmental section 457(b) plan or (b) included in box 3 and/or 5 if it is a prior year deferral under a nonqualified or section 457(b) plan that became taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount.

**Box 12.** The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, and S) and designated Roth contributions (codes AA and BB) under all plans are generally limited to a total of \$15,000 (\$10,000 if you only have SIMPLE plans; \$18,000 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code G are limited to \$15,000. Deferrals under code H are limited to \$7,000.

However, if you were at least age 50 in 2006, your employer may have allowed an additional deferral of up to \$5,000 (\$2,500 for section 401(k)(11) and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals. For code G, the limit on elective deferrals may be higher for the last three years before you reach retirement age. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit must be included in income. See the "Wages, Salaries,

you have excess deferrals, correct those deferrals for the year shown, not the current year. If no year is shown, the contributions are for the current year.

**D**—Uncollected social security or RRTA tax on tips. Include this tax on Form 1040. See "Total Tax" in the Form 1040 instructions.

**B**—Uncollected Medicare tax on tips. Include this tax on Form 1040. See "Total Tax" in the Form 1040 instructions.

**C**—Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to social security wage base), and 5).

**D**—Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

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**G**—Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan.

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**R**—Employer contributions to your Archer MSA. Report on Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.

**S**—Employee salary reduction contributions under a section 408(p) SIMPLE (not included in box 1).

**T**—Adoption benefits (not included in box 1). You must complete Form 8839, Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.

**V**—Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3 (up to social security wage base), and 5).

**W**—Employer contributions to your Health Savings Account. Report on Form 8889, Health Savings Accounts (HSAs).

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**Z**—Income under section 409A on a nonqualified deferred compensation plan. This amount is also included in box 1. It is subject to an additional 20% tax plus interest. See "Total Tax" in the Form 1040 instructions.

**AA**—Designated Roth contributions to a section 401(k) plan.

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This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.

Department of The Treasury - Internal Revenue Service

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This information is being furnished to the Internal Revenue Service.

**IMPORTANT NOTE:**

In order to insure efficient processing, attach this W-2 to your tax return like this (following agency instructions):

TAX RETURN	
THIS FORM W-2	OTHER W-2'S

NOTE: THESE ARE SUBSTITUTE WAGE AND TAX STATEMENTS AND ARE ACCEPTABLE FOR FILING WITH YOUR FEDERAL, STATE AND LOCAL/CITY INCOME TAX RETURNS.

## Notice to Employee

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**Clergy and religious workers.** If you are not subject to social security and Medicare taxes, see Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

**Corrections.** If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA) to correct any name, SSN, or money amount error reported to the SSA on Form W-2. If your name and SSN are correct but are not the same as shown on your social security card, you should ask for a new card at any SSA office or call 1-800-772-1213.

**Credit for excess taxes.** If you had more than one employer in 2006 and more than \$5,840.40 in social security and/or Tier I railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and more than \$3,075.60 in Tier II RRTA tax was withheld, you also may be able to claim a credit. See your Form 1040 or Form 1040A instructions and Publication 505, Tax Withholding and Estimated Tax.

MICHAEL S SMITH

2



Holder Account Number

Recipient's ID No.

Payer's Federal ID No.

☐ Corrected (if checked)

OMB No.

**Form 1099-B - Proceeds From Broker and Barter Exchange Transactions****2006**

1a Date of Sale or Exchange	1b CUSIP No.	2	Stocks, Bonds, etc. (\$)	Gross Proceeds Reported to IRS	Payer's Details
13 Mar 2006			30.00	YES	COMPUTERSHARE SHAREHOLDER SERVICES INC P.O. BOX 43010 PROVIDENCE RI 02940-3010

4 FEDERAL INCOME TAX WITHHELD (\$)	7 Description:	Name of Issuer	Transaction
		Wal-Mart Stores, Inc.	SALE - ES2

**Instructions for Recipient**

Brokers and barter exchanges must report proceeds from transactions to you and to the Internal Revenue Service on Form 1099-B by January 31 of the year following the calendar year of the transaction.

Account Number: May show an account or other unique number the payer assigned to distinguish your account.

Box 1a The trade date of the transaction. For aggregate reporting, no entry will be present.

Box 1b For broker transactions, may show the CUSIP (Committee on Uniform Security Identification Procedures) number of the item reported.

Box 2: Shows the aggregate proceeds from transactions involving stocks, bonds, other debt obligations, commodities, or forward contracts. Losses on forward contracts and changes in control or substantial change in capital structure are shown in parentheses. This box does not include proceeds from regulated futures contracts. The broker must indicate whether gross proceeds or gross proceeds less commissions and option premiums were reported to the IRS. Report this amount on Schedule D (Form 1040), Capital Gains and Losses.

Box 4: Backup withholding. Generally, a payer must backup withhold at the applicable rate if you did not furnish your taxpayer identification number to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

Box 7: Shows a brief description of the item for which the gross proceeds are being reported. Information is being reported as to Issuer name, class, and transaction type.

NOTE: The Payer will report the amount in box 2 to the IRS. The difference between the gross proceeds amount in Box 2 and the net proceeds you received represents any fees, charges, or withholding taxes you may have paid.

Copy B - For Recipient (Keep for your records)

Department of the Treasury - Internal Revenue Service

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.



Symbol

WMT

001CS0103\_RPS.DL\_1.WMT.18323R\_125/090514/090514/

# Wal-Mart Stores, Inc. - Associate Stock Purchase Plan Account Summary

## Transaction History

From: 01 Jan 2006

To: 29 Dec 2006

Date	Transaction Description	Transaction Amount (\$)	Deduction Amount (\$)	Deduction Type	Net Amount (\$)	Price Per Share (\$)	Total Transaction Shares	Total Shares Held
01 Jan 2006	Balance Forward							4.754
03 Jan 2006	Dividend Reinvestment	0.71			0.71	45.996	0.015	4.769
13 Mar 2006	Tender	30.00			30.00	45.248	-0.663	4.106
03 Apr 2006	Dividend Reinvestment	0.69			0.69	46.802	0.015	4.121
05 Jun 2006	Dividend Reinvestment	0.69			0.69	47.654	0.014	4.135
05 Sep 2006	Dividend Reinvestment	0.69			0.69	45.584	0.015	4.150

## Summary of Holdings

Date: 29 Dec 2006

Shares	Closing Price Per Share (\$)	Value (\$)
4.150	46.180	191.65

002CD40010

00MBAC

130UDR

IMPORTANT TAX RETURN DOCUMENT ATTACHED

WMT

+

# WAL★MART

PAYER'S name, street address, city, state, and ZIP code  
 WAL-MART STORES INC  
 C/O COMPUTERSHARE

☐ CORRECTED (if checked)

## Dividends and Distributions

OMB No. 1545-0110

1a Total ordinary dividends \$ 2.78	1b Qualified dividends \$ 2.78
3 Nondividend distributions \$	4 Federal income tax withheld \$
6 Foreign tax paid \$	7 Foreign country or U.S. possession \$
8 Cash Liquidation Distribution \$	PAYER'S Federal identification number

2006

Form 1099-DIV

Copy B

Distributor's Name		Michael S. Smith		Distributor's Purchase Date		November 10, 2003	
Territory No.		2100		Company Repurchase Date		December 2, 2006	
Distributor No.							
<b>TERRITORY RECONCILIATION</b>							
Repurchase Price				\$	46,560.00		
Distributor's Original Purchase Price	+	\$	48,840.00				
Plus: Additional Territory purchased	+						
Additional Territory purchased (Date)	+						
Less: Territory Sold (Date)	-						
Territory Sold (Date)	-						
Distributor's Adjusted Purchase Price	=	\$	48,840.00				
Equity from Territory Sold previously paid to Distributor in cash		\$	-				
Appreciated Equity				\$	(2,280.00)		
Current Note Original Balance		\$	48,840.00				
Current Note Payoff		\$	39,433.16				
Paid In Equity				\$	9,406.84		
Down Payment (or Equity Applied From Partial(s) or Prior Distributorship(s))							
Total Paid In & Appreciated Equity Due To (From) Distributor				\$	7,126.84		
<b>TRUCK RECONCILIATION</b>							
Only if purchased: Truck Repurchase Price							
Truck Note Payoff							
Due To (From) Distributor for Truck Payoff				\$	-		
Make/Model/VIN No.	2004 Isuzu 4KBB4B1U34J800242	Circle One: <u>Lease</u> OR Purchase					
Other Credits (Charges)							
Final weeks statement		\$	(307.99)				
5% Transfer Fee		\$	(2,328.00)				
Truck Repairs Truck Wash		\$	(150.00)				
Truck Tags/Property Tax		None					
Pager/Beeper charge		None					
Pay By Scan charges							
Uniforms		None					
Truck Stock		None					
Insurance: Truck/Business							
Health/Disability Ins.	2Wks@61.62	\$	(123.24)				
Prior Year FICA							
Returned/Unvalidated A/R Tickets		None					
Interest Refunded (only within first 6 months)							
Other: specify		None					
Other: Credit for out of code charged on statement							
Other: Synovus document fee		\$	(200.00)				
Total Other Credits (Charges)				\$	(3,109.23)		
TOTAL DUE TO (FROM) DISTRIBUTOR				\$	4,017.61		

*Jerry Windham* 12/6/06  
Reviewed By (Company): Date

*Steve Bordeaux* 12/6/06  
Approved By (Company): Date

Distributor Date

Health Insurance	3,204.24
Truck Insurance	2,081.04
Cell Phone	935.78
Truck Repairs	1,816.97
Gas	12,918.19
Misc	3,025.37



M P O R T A N T !

# ESTIMATED TAX PAYMENTS

Enclosed are your Estimated Tax Vouchers and Filing Envelopes

Richard Smith

Identity Number :

2006

Tax Payments For Year :

FEDERAL PAYMENT RECORD	Amount Paid	Date Paid	Check No.
Voucher #1 - Due By APRIL 15*	834.00	4-13-06	6340
Voucher #2 - Due By JUNE 15*	500.00	6-13-06	6440
Voucher #3 - Due By SEPT. 15*	500.00	9-13-06	671
Voucher #4 - Due By JAN. 15*	500.00	1-8-07	695

STATE PAYMENT RECORD	Amount Paid	Date Paid	Check No.
Voucher #1 - Due By APRIL 15*	530.00	4-12-06	619
Voucher #2 - Due By JUNE 15*	530.00	6-13-06	639
Voucher #3 - Due By SEPT. 15*	530.00	9-13-06	672
Voucher #4 - Due By JAN. 15*	530.00	1-8-07	696

\*If the 15th falls on a Saturday or Sunday, the due date is extended until the next Monday.

## CAUTION

### DO NOT MAIL YOUR ESTIMATED TAX VOUCHERS WITH YOUR TAX RETURN

Occasionally clients mistakenly believe that estimated payments are a way of making installment payments on their tax return. If there is a balance due on last year's return which we just prepared for you, you must pay it separately from your Estimated Tax Payments. These Estimated Tax Vouchers are advance payments for next year and must be paid in addition to any liability on your tax return.

BE SURE TO WRITE YOUR SOCIAL SECURITY NUMBER AND THE WORDS "ESTIMATED TAX" ON YOUR CHECKS.

**Deposit Certificate(s)**

PLEASE INDICATE THE NUMBER OF SHARES TO BE DEPOSITED INTO YOUR PLAN ACCOUNT.

Signature 1 - Please keep signature within the box.

Signature 2 - Please keep signature within the box.

Please detach this portion and mail to:  
Computershare  
P.O. Box 43080  
Providence RI 02940-3080

Please note: All registered holders must sign for your instructions to be completed.

Computershare Trust Company, N.A., as agent, upon written request, will provide the name of the executing broker dealer associated with the transaction(s), and within a reasonable amount of time will disclose the source and amount of compensation received from third parties in connection with the transaction(s), if any.

**ALL SALE INSTRUCTIONS ARE FINAL AND CANNOT BE MODIFIED, STOPPED OR CANCELLED AFTER COMPUTERSHARE HAS RECEIVED THE REQUEST.**

**I. Special Instructions**

If your account is not certified, you must complete a W-9 or W-8BEN tax form or taxes will be withheld from any dividends or sales proceeds per Internal Revenue Service requirements. Faxed W-8BEN forms are not acceptable.

If you would like to write to us, please include your account number, daytime telephone number with area code, and the company name in your correspondence.

**PLEASE KEEP THIS STATEMENT FOR TAX PURPOSES.**

**II. Terms and Definitions**

<b>Record Date</b>	The date that establishes ownership on our records to receive the dividend.
<b>Payment Date</b>	The date the dividend is payable.
<b>Dividend Rate</b>	The dollar amount of the dividend paid per share or the rate of stock dividend or stock split.
<b>Price Per Share</b>	The price per share purchased or sold under the plan.
<b>Total Shares</b>	The number of shares acquired or sold through the plan.
<b>Deduction Amount</b>	An aggregate sum of all fees charged.
<b>Loan Collateral</b>	The number of shares held by Computershare as collateral for a loan granted through the Wal-Mart Loan Program. Although these shares are still owned by you, they are not available for transfer, sale or issuance until your entire loan balance is paid. Loans are limited to Associates in the U.S.
<b>Annual Maintenance Fee</b>	If you no longer work for Wal-Mart you may continue your account and buy shares without paying a brokerage fee. However, you will be charged \$30 once a year as a maintenance fee. The \$30 fee is automatically deducted from your account in the first quarter of each year by selling a portion of stock equal to \$30. If you do not wish to maintain your account after you leave the company, be sure to call Computershare.
<b>Value</b>	The dollar amount as of the date referenced of all shares that are held for this security in the account.

**III. Privacy Notice**

At Computershare, we take privacy seriously. In the course of providing services to you in connection with employee stock purchase plans, dividend reinvestment plans, direct stock purchase plans and/or direct registration services, we receive nonpublic, personal information about you. We receive this information through transactions we perform for you, from enrollment forms, automatic debit forms, and through other communications with you in writing, electronically, and by telephone. We may also receive information about you by virtue of your transaction with affiliates of Computershare or other parties. This information may include your name, address (residential and mailing), social security number, bank account information, stock ownership information and other financial information.

With respect both to current and former customers, Computershare does not share nonpublic personal information with any non-affiliated third-party except as necessary to process a transaction, service your account or as required or permitted by law. Our affiliates and outside service providers with whom we share information are legally bound not to disclose the information in any manner, unless required or permitted by law or other governmental process. We strive to restrict access to your personal information to those employees who need to know the information to provide our services to you. Computershare maintains physical, electronic and procedural safeguards to protect your personal information.

Computershare realizes that you entrust us with confidential personal and financial information and we take that trust very seriously.

Assets are not deposits of Computershare and are not insured by the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation, or any other federal or state agency.

00MSCE

**Instructions for Recipient**

**Account Number:** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1a:** Shows total ordinary dividends that are taxable. Include this amount on line 9a of Form 1040 or 1040A. Also, report it on Schedule B (Form 1040) or Schedule 1 (Form 1040A), if required.

The amount shown may be a distribution from an employee stock ownership plan (ESOP). Report it as a dividend on your Form 1040/1040A, but treat it as a plan distribution, not as investment income, for any other purpose.

**Box 1b:** Shows the portion of the amount in box 1a that may be eligible for the 15% or 5% capital gains rates. See the Form 1040/1040A instructions.

**Box 4:** Shows backup withholding. For example, a payer must backup withhold on certain payments at the applicable rate if you did not give your taxpayer identification number to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 6:** Shows the foreign tax you may be able to claim as a deduction or a credit on Form 1040. See the Form 1040 instructions.

**Box 8:** Shows each limitation distribution.



## **EXHIBIT D**

00001

1 IN THE UNITED STATES DISTRICT COURT

2 FOR THE MIDDLE DISTRICT OF ALABAMA

3 EASTERN DIVISION

4

5 CASE NUMBER: 3:07-CV-617-MHT

6 CHARLES MORROW, ET AL.,

7 Plaintiffs,

8 vs.

9 FLOWERS FOODS, INC., ET AL.,

10 Defendants.

11

12 S T I P U L A T I O N

13 IT IS STIPULATED AND AGREED by and

14 between the parties through their respective

15 counsel, that the video deposition of Lew

16 Baxter may be taken before Sara Mahler, CCR,

17 at the offices of Greg L. Davis, at 6987

18 Halcyon Park Drive, Montgomery, Alabama

19 36117, on the 16th day of April, 2008.

20

21 DEPOSITION OF LEW BAXTER

22

23

00002

1 IT IS FURTHER STIPULATED AND  
2 AGREED that the signature to and the reading  
3 of the deposition by the witness is waived,  
4 the deposition to have the same force and  
5 effect as if full compliance had been had  
6 with all laws and rules of Court relating to  
7 the taking of depositions.

8 IT IS FURTHER STIPULATED AND  
9 AGREED that it shall not be necessary for  
10 any objections to be made by counsel to any  
11 questions except as to form or leading  
12 questions, and that counsel for the parties  
13 may make objections and assign grounds at  
14 the time of the trial, or at the time said  
15 deposition is offered in evidence, or prior  
16 thereto.

17 IT IS FURTHER STIPULATED AND  
18 AGREED that the notice of filing of the  
19 deposition by the Commissioner is waived.

20

21 \* \* \* \* \*

22

23

00183

1 about ready to run out of tape. I'll let  
2 him change it. I can keep forging ahead or  
3 do y'all want to take a break for a few  
4 minutes?

5 MR. DAVIS: Keep forging  
6 ahead.

7 VIDEOGRAPHER: This ends  
8 videotape number three; we are off the  
9 Record at 3:16 p.m.

10 (Recess was taken.)

11 VIDEOGRAPHER: This begins  
12 videotape number four; we are back on the  
13 Record at 3:18 p.m.

14 (Whereupon, Defendant's  
15 Exhibit No. 27 was marked  
16 for identification.)

17 Q. (BY MR. HISHTA): Mr. Baxter,  
18 you have been handed what has been marked as  
19 Defendant's Number 27. If you could take a  
20 few moments and look at that document for me  
21 please.

22 A. (Witness complies.)

23 Q. Do you recognize Defendant's

00184

1 Exhibit Number 27, Mr. Baxter?

2 A. Yes.

3 Q. Could you tell me what it is.

4 A. It's an interim financial

5 statement for the quarter ending December

6 31st, 2004, for my route.

7 Q. Are you familiar with this

8 record?

9 A. Yes.

10 Q. Do you receive such documents

11 from Mr. Jones, Frank Jones?

12 A. Yes.

13 Q. Turning to the statement of

14 assets, liabilities, and capital, which is

15 the third page of this document, there is an

16 entry for territory of forty-two thousand

17 eight hundred and sixty dollars. Do you see

18 that?

19 A. Yes, I do.

20 Q. And is that your territory?

21 A. Yes.

22 Q. Would you agree with the

23 characterization of the territory as an

00185

1 asset?

2 A. Yes.

3 Q. And over time, that territory

4 is being amortized?

5 A. Amortized, yes.

6 Q. Yes. Then on the next page is

7 a statement of revenue and expenses. Are

8 those revenues and expenses related to your

9 distributorship?

10 A. Yes.

11 Q. And if we turn to the column

12 with the twelve months ended December 31,

13 2004, was that the first full year that you

14 owned your Flowers distributorship?

15 A. Yes.

16 Q. And your gross revenue for

17 that year was seventy-eight thousand one

18 hundred and sixty-one dollars and ninety

19 cents?

20 A. Yes.

21 Q. Under the first line item

22 under operating expenses, there is an entry

23 for advertising of a hundred and sixty-seven

00186

1 dollars and one cents. Do you recall what  
2 that might be for?

3 A. No, I don't.

4 Q. With various expenses that are  
5 listed on these statements, do you typically  
6 provide documentation to Mr. Jones, who in  
7 turn prepares the statements?

8 A. Yes. That may have been a  
9 donation of product that I charged myself  
10 and donated to a civic organization or  
11 church organization or something like that,  
12 because I don't see a donation -- I don't  
13 see a donation line item.

14 Q. What about -- And it's a small  
15 entry, but there's an entry for  
16 entertainment and meals, what type of  
17 expense would that be related to the  
18 distributorship?

19 A. That may have been -- I don't  
20 know. It could have been a --

21 MR. DAVIS: Don't guess, if  
22 you don't know.

23 Q. Okay. What about with casual

00187

1 labor, is that the expense associated with  
2 the helper or helpers?

3 A. Yes.

4 Q. And that's six thousand two  
5 hundred forty dollars. And then there's an  
6 entry for supplies, what type of supplies  
7 would you typically purchase over the course  
8 of the year that you would write off?

9 A. Office supplies, staple gun,  
10 pens, pencils, calendars, personal  
11 calendars, that type of thing, tape; just  
12 general office supplies.

13 Q. And then the final expense  
14 item is a uniform expense to you. What type  
15 of uniform do you wear when operating your  
16 distributorship?

17 A. Just shirt.

18 Q. Golf shirt?

19 A. Yeah.

20 Q. Are you required to wear any  
21 particular type of clothing?

22 A. We're told we have to wear a  
23 shirt with a collar.



00188

1 Q. Does it have a Flowers  
2 logo on it or any other identifying  
3 information?

4 A. Not to my knowledge, no.  
5 (Whereupon, Defendant's  
6 Exhibit No. 28 was marked  
7 for identification.)

8 Q. Mr. Baxter, you now have in  
9 front of you what has been marked as  
10 Defendant's Exhibit Number 28. Could you  
11 take a moment and review that document for  
12 me, please.

13 A. (Witness complies.)

14 Q. Mr. Baxter, do you recognize  
15 Defendant's Exhibit Number 28?

16 A. Yes.

17 Q. Could you tell me what it is,  
18 please.

19 A. It's the interim financial  
20 statement for the quarter ended December  
21 31st, 2005, for my route.

22 Q. Okay. Let's turn to the last  
23 page of this document. Let's just focus on,

00189

1 again, the third column for the twelve  
2 months ending December 31, 2005.

3 It would appear that this  
4 document -- that your gross discount or  
5 gross revenue is ninety-three thousand  
6 seventeen dollars and eighty-three cents  
7 from your distributorship; would you agree  
8 with that?

9 A. Yes.

10 Q. And then you've got various  
11 operating expenses underneath there. Let's  
12 just discuss a few of those. There's an  
13 equipment rental expense of over eight  
14 thousand dollars. What is that? Is that  
15 the truck lease?

16 A. I'm going to assume, yes,  
17 that's -- I'm assuming so, yes. I don't  
18 know.

19 Q. What about entertainment and  
20 meals, sixteen hundred dollars that  
21 particular year?

22 A. Okay.

23 Q. What type of entertainment or

00190

1 business meals do you have that you would

2 write off related to your business?

3 A. That would have been Auburn

4 football tickets, that would have been

5 meals.

6 Q. Do you take your customers to

7 Auburn football games?

8 A. No, I don't.

9 Q. Do you take any perspective

10 customers to Auburn football games?

11 A. No. I give them my tickets

12 and let them go.

13 Q. So you're giving the tickets

14 to your customers?

15 A. I offer them to them, yes.

16 Q. Do you personally use the

17 tickets if your customers don't use them?

18 A. Yes.

19 Q. Is there any adjustment that

20 is made with respect to a write-off if you

21 personally used the tickets versus the

22 customer using the tickets?

23 A. I don't know that for sure.

00191

1 Q. Do you occasionally take a  
2 customer or perspective customer out to  
3 dinner?

4 A. No.

5 Q. And moving down the page, the  
6 casual labor is slightly over seven thousand  
7 dollars. Is that also for a helper or  
8 helpers for the year ending 2005?

9 A. Yes.

10 (Whereupon, Defendant's  
11 Exhibit No. 29 was marked  
12 for identification.)

13 Q. Okay. Mr. Baxter, the next  
14 document has been marked Defendant's Exhibit  
15 Number 29. If you could take a few moments  
16 and look at this document for me, please.

17 A. (Witness complies.)

18 Q. Mr. Baxter, do you recognize  
19 Defendant's Exhibit Number 29?

20 A. Yes.

21 Q. Could you identify it for me,  
22 please.

23 A. It's the interim financial

00192

1 statement for the quarter ended December  
2 31st, 2006, for my route.

3 Q. And is -- like the other  
4 interim financial statements, was this  
5 statement prepared by Frank Jones?

6 A. Yes.

7 Q. And Mr. Jones prepared it and  
8 sent you a copy?

9 A. Yes.

10 Q. Turning to the third column,  
11 would you agree with me that your gross  
12 income or gross revenue for the year ending  
13 2006 was eighty-one thousand six hundred  
14 fourteen dollars and ninety-two cents?

15 A. It looks like five hundred and  
16 forty-eight, but --

17 Q. I'm sorry, there's another  
18 income listed too. And I'm actually looking  
19 at total revenue, the line underneath that.

20 A. Okay. Total revenue, yes.

21 Q. Total revenue?

22 A. Total revenue, yes.

23 Q. And then moving down again

00193

1 we've got the various operating expenses

2 associated with your distributorship;

3 correct?

4 A. Correct.

5 Q. Entertainment and meals for

6 year ending 2006, would that be similar to

7 the type of expenses you've described for

8 2005, tickets, occasional meal type of

9 thing?

10 A. Yes.

11 Q. I mean, do your customers

12 occasionally use the tickets that you offer

13 to them?

14 A. Occasionally some do, yes.

15 Q. Do you think that that helps

16 develop a good working relationship with

17 those customers?

18 A. Yes.

19 Q. And then moving down under

20 casual labor, five thousand sixty dollars,

21 that again is for your helper or helpers for

22 that year?

23 A. Yes.

00194

1 Q. When you take vacation time,  
2 do you -- how do you handle that? Do you  
3 hire one of the helpers to run your  
4 territory in your absence? Do you utilize  
5 Flowers' services? What do you typically --

6 A. Flowers provides someone to  
7 run the route for me.

8 Q. And how does that typically  
9 work? Do you say to somebody at Flowers,  
10 I'd like you to run my territory while I'm  
11 gone?

12 A. No. You have to go in and you  
13 have to schedule your vacation.

14 Q. And do you pay Flowers Opelika  
15 for their time and expenses in running the  
16 territory in your absence?

17 A. Yes.

18 Q. If you wanted to, could you  
19 have somebody else other than a non-Flowers  
20 person run the territory in your absence?

21 A. I don't know that.

22 Q. Have you tried?

23 A. No.

00195

1 Q. Has anybody at Flowers Opelika

2 said that you cannot do that?

3 A. No.

4 (Whereupon, Defendant's

5 Exhibit No. 30 was marked

6 for identification.)

7 Q. The next one is Defendant's

8 Exhibit 30, Mr. Baxter. If you could take a

9 few minutes and look at that document for

10 me, please.

11 A. (Witness complies.)

12 Q. Mr. Baxter, do you recognize

13 this document?

14 A. Yes, I do.

15 Q. Could you tell me what it is,

16 please.

17 A. It's a financial statement of

18 my route for the period ended December 31st,

19 2007.

20 Q. Was that document prepared by

21 Mr. Jones?

22 A. Yes, it was.

23 Q. And was a copy of it sent to



00196

1 you?

2 A. Yes.

3 Q. Turning your attention to the  
4 third column for the twelve months ending  
5 December 31, 2007, would you agree with me  
6 that your gross revenue for the year arising  
7 from your distributorship, Flowers  
8 distributorship, was eighty-two thousand six  
9 hundred twenty-one dollars?

10 A. Yes.

11 Q. And moving down the column,  
12 you see the various operating expenses  
13 associated with your distributorship for the  
14 year ending December 31, 2007?

15 A. Yes.

16 Q. And as in the two prior years,  
17 there's an entry for entertainment and  
18 meals. The same type of items --

19 A. Yes.

20 Q. -- that we've discussed  
21 previously?

22 A. Yes.

23 Q. And casual labor for the year

00197

1 ending 2007, three thousand one hundred and

2 twenty dollars?

3 A. Yes.

4 Q. And that would represent

5 payments to your helper or helpers?

6 A. Yes.

7 MR. DAVIS: Kevin, just for

8 the Record, the copy that Lew is looking at

9 has yellow highlighted all the way down it

10 and handwriting on it.

11 MR. HISHTA: Here, use that

12 one (indicating).

13 Q. Do you want to look at that

14 document and would your answers be any

15 different?

16 A. No, my answers would not be

17 any different.

18 And I can't read your

19 handwriting anyways.

20 (Off-the-Record discussion

21 was held.)

22 (Whereupon, Defendant's

23 Exhibit No. 31 was marked

00198

1 for identification.)

2 Q. Okay. Mr. Baxter, the court  
3 reporter has handed you what has been marked  
4 as Defendant's Exhibit Number 31. If you  
5 could take a few moments and look at this  
6 document for me, please.

7 A. (Witness complies.)

8 Q. Mr. Baxter, do you recognize  
9 Defendant's Exhibit Number 31?

10 A. Yes.

11 Q. Could you tell me what this  
12 document or documents is, please.

13 A. They're my 2004 tax returns,  
14 federal tax returns.

15 Q. These are both federal and  
16 Alabama state returns?

17 A. Yes.

18 Q. Turn your attention to Bates  
19 number 7139. Just to make sure that we're  
20 on the same page, I'm looking at a page that  
21 at the top states profit or loss from  
22 business for the year 2004.

23 A. (Witness nods head in the

00199

1 affirmative.)

2 Q. Moving down under expenses,  
3 the first entry is for advertising for a  
4 hundred and sixty-seven dollars, which I  
5 believe we've already discussed; you have  
6 another entry for car and truck expenses, I  
7 believe we've already discussed that.

8 Moving down to the entry on  
9 mortgage, four thousand six hundred and  
10 forty-eight dollars. Do you know what that  
11 entry is?

12 A. That would probably be my -- I  
13 don't know.

14 Q. If you don't know, that's  
15 fine.

16 A. I don't know.

17 Q. What about the office expense?

18 A. There again, I don't know.

19 Q. Okay. Turn your attention to  
20 Bates number 7146. Is it fair to say that  
21 these are other expenses related to your  
22 Flowers distributorship for the year 2004?

23 A. Other expenses?

00200

1 Q. Yes.

2 A. I would think they would be  
3 the same as what would be listed on my  
4 financial statement.

5 Q. I didn't mean the question  
6 that way. But these expenses are expenses  
7 in addition to those shown on -- the  
8 detailed expenses shown on FB 7139?

9 A. I'm not sure I followed you  
10 there.

11 Q. Okay. Let's just go back to  
12 FB 7139.

13 A. Okay.

14 Q. On the left-hand column --

15 A. I see where you're at now.

16 Q. -- see where I'm at? We've  
17 got certain detailed expenses and then  
18 you've got other expenses.

19 A. On line twenty-seven, you have  
20 twenty thousand five hundred and thirty-one  
21 dollars and you have this twenty thousand --  
22 same number.

23 Q. At the end of the day, in box

00201

1 thirty-one, is that the net profit from your  
2 Flowers distributorship for the year 2004?

3 A. I would say yes.

4 Q. And is it fair to say that you  
5 are representing to the Internal Revenue  
6 Service that you had net profit as a sole  
7 proprietor from your distributorship income  
8 in that amount?

9 A. To the best of my knowledge,  
10 yes.

11 (Whereupon, Defendant's  
12 Exhibit No. 32 was marked  
13 for identification.)

14 Q. Okay. Mr. Baxter, you've been  
15 handed what's been marked as Defendant's  
16 Exhibit Number 32. Would you take a moment  
17 and review that document for me and tell me  
18 if you recognize it.

19 A. (Witness complies.) I do.

20 Q. Tell me what it is, please.

21 A. It's my 2005 tax returns,  
22 federal and state for 2005.

23 Q. Okay. Turning your attention

00202

1 to Bates number 7164, please.

2 Does that page reflect the  
3 financial figures related to your Flowers  
4 distributorship for the year 2005?

5 A. I'm going to say yes.

6 Q. And you look at part one,  
7 gross receipts or sales, it would appear  
8 that your gross income for the year 2005,  
9 from your Flowers distributorship was  
10 ninety-three thousand two hundred and  
11 eighty-nine dollars?

12 A. Yes.

13 Q. And then following expenses,  
14 your net profit from your Flowers  
15 distributorship for the year 2005 was  
16 forty-two thousand six hundred and twelve  
17 dollars?

18 A. Yes.

19 (Whereupon, Defendant's  
20 Exhibit No. 33 was marked  
21 for identification.)

22 Q. Okay. Mr. Baxter, do you  
23 recognize Defendant's Exhibit Number 33?

00203

1 A. Yes.

2 Q. Could you turn your attention  
3 to Bates number BAX 165.

4 It would appear that your  
5 gross income for the year 2006, from your  
6 Flowers distributorship was eighty-one  
7 thousand six hundred and sixty-eight  
8 dollars, would you agree with that?

9 A. Yes.

10 Q. Turning again to item sixteen  
11 under the expenses with the mortgage, do you  
12 have any idea what that entry is for?

13 A. No, I don't.

14 Q. Okay. And turning your  
15 attention to Bates number BAX 00171. You've  
16 got casual labor for five thousand eight  
17 hundred and seventy dollars. As we've  
18 previously discussed, that's for your helper  
19 or helpers; is that correct?

20 A. Yes.

21 Q. The next entry is for dues and  
22 subscriptions in the amount of seventy-six  
23 dollars. What is that for?



00204

1 A. Dues and subscriptions. I'm  
2 not sure.

3 Q. What about equipment rental?

4 A. That would probably be a Ryder  
5 truck used while I was on vacation or  
6 something to that effect.

7 Q. Do you know what's encompassed  
8 with other operating expenses?

9 A. No.

10 Q. Is this something that Frank  
11 Jones could shed some light on from  
12 documents that you've provided to him?

13 A. Yes.

14 Q. And then the telephone entry,  
15 I assume that's the telephone that you use  
16 in your business?

17 A. Yes.

18 (Whereupon, Defendant's  
19 Exhibit No. 34 was marked  
20 for identification.)

21 Q. Mr. Baxter, could you take a  
22 few moments and review what has been marked  
23 as Defendant's Number 34.

00252

1 it was that returned my call.

2 Q. Is that the only contact that

3 you can recall?

4 A. Right now, yes, to the best of

5 my recollection.

6 Q. Have you had any contact with

7 any management officials of subsidiaries of

8 Flowers Foods other than Flowers Baking

9 Company of Opelika?

10 A. Any contact with them?

11 Q. Yes.

12 A. Business, no; casual, yes.

13 Q. Have you had any contact with

14 distributors of other Flowers subsidiaries?

15 When I say other Flowers subsidiaries, I

16 mean subsidiaries other than Flowers Baking

17 Company of Opelika.

18 A. No.

19 MR. HISHTA: Shall I continue?

20 MS. WEAVER: Yes.

21 Q. With the tax returns that we

22 discussed earlier today, which I believe was

23 2004 through 2006, were those tax returns

00253

1 actually sent into the IRS?

2 A. Yes.

3 Q. And with the -- When we were  
4 discussing the entertainment expenses on the  
5 tax returns, can you recall any customers,  
6 perspective customers, or otherwise the  
7 names of the people that you provided the  
8 tickets to?

9 A. I can't recall immediately.

10 MR. HISHTA: I have no further  
11 questions at this time.

12 MR. DAVIS: No questions.

13 VIDEOGRAPHER: This ends  
14 videotape number five and ends the  
15 deposition. We are off the Record at 5:06  
16 p.m.

17 (The deposition was concluded at 5:15 p.m.,  
18 April 16th, 2008.)

19

20

21

22

23

**BAXTER**  
**DEFENDANT'S EXHIBIT**  
**27**

**LEW E. BAXTER DISTRIBUTOR**

**ROUTE 6065**

***INTERIM FINANCIAL STATEMENTS***

**QUARTER ENDED DECEMBER 31, 2004**

**DEFENDANT'S  
EXHIBIT**

**BAXTER 27**

**FBO004554  
ATTORNEY'S EYES ONLY**

**FRANK V. JONES**  
CERTIFIED PUBLIC ACCOUNTANT

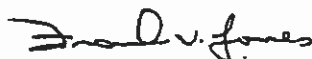
To the Owner  
Lew E. Baxter Distributor  
Montgomery, Alabama

We have compiled the accompanying statement of Assets, Liabilities and Capital - Income Tax Basis of Lew E. Baxter Distributor as of December 31, 2004, and the related statement of Revenues and Expenses - Income Tax Basis for the three and twelve months ended December 31, 2004 and 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These financial statements have been prepared on the accounting basis used by the company for federal income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Owner has elected to omit substantially all of the disclosures ordinarily included in the financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, revenues, expenses, and capital. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements have been prepared solely from the accounts of Lew E. Baxter Distributor and they do not include the personal accounts of the owner or those of any other operation in which he is engaged. The owner's federal and state income taxes are computed on his total income from all sources. Accordingly, no provision for such taxes is included in these financial statements.



Opelika, Alabama  
February 1, 2005

*Member:*

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ALABAMA SOCIETY OF  
CERTIFIED PUBLIC  
ACCOUNTANTS

GEORGIA SOCIETY OF  
CERTIFIED PUBLIC  
ACCOUNTANTS

FBO004555  
ATTORNEY'S EYES ONLY

Lew E Baxter Distributor  
Statement of Assets, Liabilities and Capital  
December 31, 2004

**Assets**

Other Assets		
Territory	42,860.00	
Territory Amortization	<u>(3,571.69)</u>	
Total Other Assets		<u>39,288.31</u>
Total Assets		\$ <u>39,288.31</u>

**Liabilities and Capital**

Current Liabilities		
Note Payable - Flowers	\$ <u>38,435.94</u>	
Total Current Liabilities		38,435.94
Capital		
Owner's Capital	10,395.97	
Owner's Withdrawals	(47,824.15)	
Health Insurance	(4,000.85)	
Current Income (Loss)	<u>42,281.40</u>	
Total Capital		<u>852.37</u>
Total Liabilities & Capital		\$ <u>39,288.31</u>

See Accountant's Compilation Report

FBO004556  
ATTORNEY'S EYES ONLY

Lew E. Baxter Distributor  
Statement of Revenue and Expenses  
For the Period Ended December 31, 2004

6065

	3 Months Ended		3 Months Ended		12 Months Ended		12 Months Ended	
	Dec. 31, 2004	Pct	Dec. 31, 2003	Pct	Dec. 31, 2004	Pct	Dec. 31, 2003	Pct
<b>Revenue</b>								
Distributor Disc Earned \$	<u>18,583.90</u>	<u>100.00</u>	<u>12,452.25</u>	<u>100.00</u>	<u>\$ 78,161.90</u>	<u>100.00</u>	<u>\$ 12,452.25</u>	<u>100.00</u>
Total Revenue	<u>18,583.90</u>	<u>100.00</u>	<u>12,452.25</u>	<u>100.00</u>	<u>78,161.90</u>	<u>100.00</u>	<u>12,452.25</u>	<u>100.00</u>
<b>Operating Expenses</b>								
Advertising	75.01	0.40	0.00	0.00	167.01	0.21	0.00	0.00
Auto and Truck Expense	2,417.61	13.01	0.00	0.00	6,343.92	8.12	0.00	0.00
Administration	120.00	0.65	60.00	0.48	490.00	0.63	60.00	0.48
Territory Amortization	714.34	3.84	238.11	1.91	3,333.58	4.26	238.11	1.91
Equipment Rental	1,788.00	9.62	894.00	7.18	7,301.00	9.34	894.00	7.18
Entertainment & Meals	10.32	0.06	0.00	0.00	28.17	0.04	0.00	0.00
Insurance - Vehicle	429.12	2.31	214.74	1.72	1,753.35	2.24	214.74	1.72
Interest-Territory	1,116.08	6.01	584.95	4.70	4,648.20	5.95	584.95	4.70
Miscellaneous	240.00	1.29	3,530.06	28.35	950.00	1.22	3,530.06	28.35
Office Expense	16.91	0.09	0.00	0.00	220.04	0.28	0.00	0.00
PMS Shrink Charge	427.22	2.30	0.00	0.00	427.22	0.55	0.00	0.00
Relief Driver	260.00	1.35	0.00	0.00	443.67	0.57	0.00	0.00
Repairs and Maintenance	104.06	0.56	0.00	0.00	490.41	0.63	0.00	0.00
Casual Labor	5,540.00	29.81	0.00	0.00	6,240.00	7.98	0.00	0.00
Supplies	101.63	0.55	0.00	0.00	321.41	0.41	0.00	0.00
Telephone	248.10	1.34	0.00	0.00	956.74	1.22	0.00	0.00
Uniform Expense	212.15	1.14	100.00	0.80	491.78	0.63	100.00	0.80
Warehouse Rent/Utilities	<u>322.00</u>	<u>1.68</u>	<u>156.00</u>	<u>1.25</u>	<u>1,274.00</u>	<u>1.63</u>	<u>156.00</u>	<u>1.25</u>
Total Expenses	<u>14,122.55</u>	<u>75.99</u>	<u>5,777.86</u>	<u>46.40</u>	<u>35,880.50</u>	<u>45.91</u>	<u>5,777.86</u>	<u>46.40</u>
Net Income (Loss) \$	<u>4,461.35</u>	<u>24.01</u>	<u>6,674.39</u>	<u>53.60</u>	<u>\$ 42,281.40</u>	<u>54.09</u>	<u>6,674.39</u>	<u>53.60</u>

See Accountant's Compilation Report

FBO004557  
ATTORNEY'S EYES ONLY



**BAXTER**  
**DEFENDANT'S EXHIBIT**  
**28**

LEW BAXTER DISTRIBUTOR

ROUTE 6065

INTERIM FINANCIAL STATEMENTS

QUARTER ENDED DECEMBER 31, 2005

DEFENDANT'S  
EXHIBIT

Baxter 28

FBO004570  
ATTORNEY'S EYES ONLY

**FRANK V. JONES**  
CERTIFIED PUBLIC ACCOUNTANT

To the Owner  
Lew E. Baxter Distributor  
Montgomery, Alabama

We have compiled the accompanying statement of Assets, Liabilities and Capital - Income Tax Basis of Lew E. Baxter Distributor as of December 31, 2005, and the related statement of Revenues and Expenses - Income Tax Basis for the three and twelve months ended December 31, 2005 and 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These financial statements have been prepared on the accounting basis used by the company for federal income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Owner has elected to omit substantially all of the disclosures ordinarily included in the financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, revenues, expenses, and capital. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements have been prepared solely from the accounts of Lew E. Baxter Distributor and they do not include the personal accounts of the owner or those of any other operation in which he is engaged. The owner's federal and state income taxes are computed on his total income from all sources. Accordingly, no provision for such taxes is included in these financial statements.



Opelika, Alabama  
February 5, 2006

*Member:*

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ALABAMA SOCIETY OF  
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GEORGIA SOCIETY OF  
CERTIFIED PUBLIC  
ACCOUNTANTS

FBO004571  
ATTORNEY'S EYES ONLY

Lew E Baxter Distributor  
Statement of Assets, Liabilities and Capital  
December 31, 2005

**Assets**

	<u>6,734.35</u>	
Total Fixed Assets		6,734.35
Other Assets		
Territory	42,860.00	
Territory Amortization	<u>(6,429.01)</u>	
Total Other Assets		<u>36,430.99</u>
Total Assets		\$ <u>43,165.34</u>

**Liabilities and Capital**

Current Liabilities		
Note Payable - Flowers	\$ <u>35,898.51</u>	
Total Current Liabilities		35,898.51
Capital		
Owner's Capital	852.37	
Owner's Withdrawals	(41,257.62)	
Health Insurance	( 588.01)	
Current Income (Loss)	<u>48,260.09</u>	
Total Capital		<u>7,266.83</u>
Total Liabilities & Capital		\$ <u>43,165.34</u>

See Accountant's Compilation Report

FBO004572  
ATTORNEY'S EYES ONLY

Lew E Baxter Distributor  
Statement of Revenues and Expenses  
For the Period Ended December 31, 2005

	3 Months Ended		3 Months Ended		12 Months Ended		12 Months Ended	
	Dec. 31, 2005	Pct.	Dec. 31, 2004	Pct.	Dec. 31, 2005	Pct.	Dec. 31, 2004	Pct.
<b>Revenue</b>								
Distributor Disc Earned \$	<u>22,522.46</u>	<u>100.00</u>	\$ <u>18,583.90</u>	<u>100.00</u>	\$ <u>93,017.83</u>	<u>100.00</u>	\$ <u>78,161.90</u>	<u>100.00</u>
Total Revenue	<u>22,522.46</u>	<u>100.00</u>	<u>18,583.90</u>	<u>100.00</u>	<u>93,017.83</u>	<u>100.00</u>	<u>78,161.90</u>	<u>100.00</u>
<b>Operating Expenses</b>								
Advertising	0.00	0.00	75.01	0.40	0.00	0.00	167.01	0.21
Auto and Truck Expense	1,709.77	7.59	2,417.61	13.01	7,648.27	8.22	6,343.92	8.12
Administration	594.44	2.64	120.00	0.65	984.44	1.06	490.00	0.63
Territory Amortization	714.33	3.17	714.34	3.84	2,857.32	3.07	3,333.58	4.26
Equipment Rental	2,092.44	9.29	1,788.00	9.62	8,110.78	8.72	7,301.00	9.34
Entertainment & Meals	306.67	1.36	10.32	0.06	1,631.16	1.75	28.17	0.04
Insurance - Vehicle	1,753.57	7.79	429.12	2.31	3,147.04	3.38	1,753.35	2.24
Interest-Territory	967.24	4.29	1,116.08	6.01	4,628.32	4.98	4,648.20	5.95
Miscellaneous	0.00	0.00	240.00	1.29	838.92	0.90	950.00	1.22
Office Expense	32.15	0.14	16.91	0.09	79.43	0.09	220.04	0.28
Personal Auto-Mileage	0.00	0.00	0.00	0.00	20.72	0.02	0.00	0.00
PBS Shrink Charge	58.30	0.26	427.22	2.30	( 71.33 )	( 0.08 )	427.22	0.55
Relief Driver	429.43	1.89	750.00	4.04	794.99	0.85	443.67	0.57
Repairs and Maintenance	0.00	0.00	104.06	0.56	2,409.82	2.59	490.41	0.63
Casual Labor	1,800.00	7.99	5,540.00	29.81	7,075.00	7.61	6,240.00	7.98
Supplies	378.91	1.68	101.63	0.55	785.53	0.84	323.41	0.41
Telephone	374.55	1.66	248.10	1.34	ok 1,378.33	1.70	956.34	1.22
Uniform Expense	0.00	0.00	212.15	1.14	887.02	0.95	491.78	0.63
Warehouse Rent/Utilities	<u>338.00</u>	<u>1.50</u>	<u>312.00</u>	<u>1.68</u>	<u>1,352.00</u>	<u>1.45</u>	<u>1,274.00</u>	<u>1.63</u>
Total Expenses	<u>11,545.80</u>	<u>51.26</u>	<u>14,122.55</u>	<u>75.99</u>	<u>44,757.74</u>	<u>48.12</u>	<u>35,880.50</u>	<u>45.91</u>
Net Income (Loss) \$	<u>10,976.66</u>	<u>48.74</u>	\$ <u>4,461.35</u>	<u>24.01</u>	\$ <u>48,260.09</u>	<u>51.88</u>	\$ <u>42,281.40</u>	<u>54.09</u>

See Accountant's Compilation Report

FBO004573  
ATTORNEY'S EYES ONLY

**BAXTER  
DEFENDANT'S EXHIBIT  
29**

LEW BAXTER DISTRIBUTOR

ROUTE 6065

INTERIM FINANCIAL STATEMENTS

QUARTER ENDED DECEMBER 31, 2006

DEFENDANT'S  
EXHIBIT

BAXTER 29

FBO004586  
ATTORNEY'S EYES ONLY

**FRANK V. JONES**  
CERTIFIED PUBLIC ACCOUNTANT

To the Owner  
Lew E. Baxter Distributor  
Montgomery, Alabama

I have compiled the accompanying statement of Assets, Liabilities and Capital - Income Tax Basis of Lew E. Baxter Distributor as of December 31, 2006, and the related statement of Revenues and Expenses - Income Tax Basis for the three and twelve months ended December 31, 2006 and 2005, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These financial statements have been prepared on the accounting basis used by the company for federal income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Owner has elected to omit substantially all of the disclosures ordinarily included in the financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, revenues, expenses, and capital. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements have been prepared solely from the accounts of Lew E. Baxter Distributor and they do not include the personal accounts of the owner or those of any other operation in which he is engaged. The owner's federal and state income taxes are computed on his total income from all sources. Accordingly, no provision for such taxes is included in these financial statements.



Opelika, Alabama  
February 7, 2007

*Member:*

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ACCOUNTANTS

FBO004587  
ATTORNEY'S EYES ONLY



Lew E Baxter Distributor  
Statement of Assets, Liabilities and Capital  
December 31, 2006

Assets

Fixed Assets		
Vehicles	6,734.35	
Accumulated Depreciation	(6,734.35)	
Other Assets		
Territory	42,860.00	
Territory Amortization	<u>(9,286.33)</u>	
Total Other Assets		<u>33,573.67</u>
Total Assets		\$ <u>33,573.67</u>

Liabilities and Capital

Current Liabilities		
Note Payable - Flowers	\$ <u>33,080.24</u>	
Total Current Liabilities		33,080.24
Capital		
Owner's Capital	7,731.27	
Owner's Draw-Contributions	( 430.00)	
Owner's Withdrawals	(51,469.84)	
Health Insurance	(2,117.00)	
Owner's Draws-Contributions	( 180.00)	
Current Income (Loss)	<u>46,959.00</u>	
Total Capital		<u>493.43</u>
Total Liabilities & Capital		\$ <u>33,573.67</u>

See Accountant's Compilation Report

FBO004588  
ATTORNEY'S EYES ONLY

Law H Baxter Distributor  
Statement of Revenues and Expenses  
For the Period Ended December 31, 2006

	3 Months Ended		3 Months Ended		12 Months Ended		12 Months Ended	
	Dec. 31, 2006	Pct	Dec. 31, 2005	Pct	Dec. 31, 2006	Pct	Dec. 31, 2005	Pct
<b>Revenue</b>								
Distributor Disc Earned \$	19,622.03	100.00	\$ 22,522.46	100.00	\$ 81,548.64	99.92	\$ 91,017.93	100.00
Other Income	3.00	1.00	3.20	0.00	56.28	0.38	0.20	2.36
<b>Total Revenue</b>	<b>19,622.03</b>	<b>100.00</b>	<b>22,522.46</b>	<b>100.00</b>	<b>81,614.92</b>	<b>100.00</b>	<b>91,017.81</b>	<b>100.00</b>
<b>Operating Expenses</b>								
Auto and Truck Expenses	0.00	0.00	1,709.77	7.59	5,467.38	6.70	7,648.27	8.22
Administration	234.00	1.19	594.44	2.64	936.00	1.15	984.44	1.06
Territory Amortization	714.33	3.64	714.33	3.17	2,857.32	3.50	2,857.32	3.07
Depreciation-Vehicle	0.00	0.00	3.20	0.00	6,734.35	8.25	0.30	0.00
Dues and Subscriptions	0.00	0.00	3.20	0.00	76.30	0.09	0.30	0.00
Equipment Rental	287.91	1.47	2,092.44	9.29	1,371.30	1.68	8,110.78	8.72
Entertainment & Meals	3.00	0.00	366.67	1.34	993.31	1.27	1,631.16	1.75
Insurance - Vehicle	628.01	3.20	1,753.87	7.79	2,650.93	3.25	3,147.34	3.38
Interest-Territory	569.50	3.41	967.34	4.29	2,809.27	3.44	4,628.12	4.98
Miscellaneous	520.00	2.65	3.00	0.00	1,420.00	1.74	838.32	0.90
Office Expense	0.00	0.00	32.25	0.14	16.77	0.02	79.43	0.09
Personal Auto-Mileage	0.00	0.00	3.20	0.00	0.00	0.00	20.72	0.02
PMS Shrink Charge	( 9.63 )	( 0.05 )	58.30	0.26	28.30	0.03	( 71.35 )	( 0.08 )
Relief Driver	397.35	2.03	425.43	1.89	447.35	0.55	794.99	0.85
Repairs and Maintenance	0.00	0.00	3.20	0.00	831.47	1.02	2,409.82	2.59
Casual Labor	0.00	0.00	1,800.00	7.99	5,060.00	6.20	7,075.20	7.62
Supplies	0.00	0.00	378.91	1.68	306.22	0.38	785.93	0.84
Telephone	0.00	0.00	374.55	1.66	1,172.77	1.44	1,578.13	1.70
Uniform Expense	0.00	0.00	3.20	0.00	163.68	0.20	887.32	0.95
Warehouse Rent/Utilities	338.00	1.72	338.20	1.50	1,352.00	1.66	1,352.20	1.45
<b>Total Expenses</b>	<b>3,779.47</b>	<b>19.26</b>	<b>11,549.80</b>	<b>51.26</b>	<b>34,655.92</b>	<b>42.46</b>	<b>44,757.74</b>	<b>48.22</b>
<b>Net Income (Loss) \$</b>	<b>15,842.56</b>	<b>80.74</b>	<b>\$ 10,976.66</b>	<b>48.74</b>	<b>\$ 46,959.00</b>	<b>57.54</b>	<b>\$ 46,240.09</b>	<b>51.88</b>

See Accountant's Compilation Report

FBO004589  
ATTORNEY'S EYES ONLY

**BAXTER**  
**DEFENDANT'S EXHIBIT**  
**30**

Financial Statements  
of  
Lew E Baxter Distributor  
For the Period Ended December 31, 2007

DEFENDANT'S  
EXHIBIT

BAXTER 30

FBO007106

Lew E Baxter Distributor  
Statement of Assets, Liabilities and Capital  
December 31, 2007

Assets

Fixed Assets		
Vehicles	6,734.35	
Accumulated Depreciation	(6,734.35)	
Other Assets		
Territory	42,145.66	
Territory Amortization	<u>(11,429.35)</u>	
Total Other Assets		<u>30,716.31</u>
Total Assets		\$ <u>30,716.31</u>

Liabilities and Capital

Current Liabilities		
Note Payable - Flowers	\$ <u>29,893.51</u>	
Total Current Liabilities		29,893.51
Capital		
Owner's Capital	493.43	
Owner's Draw-Contributions	( 179.43)	
Owner's Withdrawals	(60,439.30)	
Health Insurance	( 966.19)	
Current Income (Loss)	<u>61,914.29</u>	
Total Capital		<u>822.80</u>
Total Liabilities & Capital		\$ <u>30,716.31</u>

See Accountant's Compilation Report

FBO007107

Law & Baxter Distributor  
Statement of Revenues and Expenses  
For the Period Ended December 31, 2007

	3 Months Ended		3 Months Ended		12 Months Ended		12 Months Ended	
	Dec. 31, 2007	Pct	Dec. 31, 2006	Pct	Dec. 31, 2007	Pct	Dec. 31, 2006	Pct
<b>Revenue</b>								
Distributor Disc Earned \$	19,929.21	100.00	\$ 19,622.03	100.00	\$ 82,621.00	100.00	\$ 81,548.64	99.92
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	66.28	0.08
<b>Total Revenue</b>	<b>19,929.21</b>	<b>100.00</b>	<b>19,622.03</b>	<b>100.00</b>	<b>82,621.00</b>	<b>100.00</b>	<b>81,614.92</b>	<b>100.00</b>
<b>Operating Expenses</b>								
Auto and Truck Expense	0.00	0.00	0.00	0.00	1,723.71	2.09	5,467.38	6.70
Administration	234.00	1.17	234.00	1.19	854.00	1.15	936.00	1.15
Territory Amortization	714.34	3.58	714.33	3.64	2,857.38	3.46	2,857.32	3.50
Depreciation-Vehicle	0.00	0.00	0.00	0.00	0.00	0.00	6,734.35	8.25
Dues and Subscriptions	0.00	0.00	0.00	0.00	0.00	0.00	76.00	0.09
Equipment Rental	0.00	0.00	287.91	1.47	553.33	0.67	1,371.30	1.68
Entertainment & Meals	0.00	0.00	0.00	0.00	453.10	0.55	952.01	1.17
Insurance - Vehicle	791.67	3.97	628.01	3.20	3,251.27	3.94	2,650.83	3.25
Interest-Territory	571.09	2.88	669.90	3.41	2,348.93	2.85	2,809.17	3.44
Miscellaneous	500.00	2.51	520.00	2.65	2,080.00	2.52	1,420.00	1.74
Office Expense	0.00	0.00	0.00	0.00	0.00	0.00	16.77	0.02
PBS Shrink Charge	( 16.26)	( 0.08)	( 9.63)	( 0.05)	95.23	0.12	28.30	0.03
Relief Driver	300.00	1.51	397.35	2.03	776.87	0.94	447.35	0.55
Repairs and Maintenance	0.00	0.00	0.00	0.00	386.63	0.47	833.47	1.02
Casual Labor	0.00	0.00	0.00	0.00	3,120.00	3.78	5,060.00	6.20
Supplies	0.00	0.00	0.00	0.00	397.22	0.48	306.22	0.38
Telephone	0.00	0.00	0.00	0.00	0.00	0.00	1,172.77	1.44
Uniform Expense	0.00	0.00	0.00	0.00	131.06	0.16	163.68	0.20
Warehouse Rent/Utilities	338.00	1.70	338.00	1.72	1,378.00	1.67	1,352.00	1.66
<b>Total Expenses</b>	<b>3,434.84</b>	<b>17.24</b>	<b>3,779.47</b>	<b>19.26</b>	<b>20,706.71</b>	<b>25.06</b>	<b>34,689.92</b>	<b>42.46</b>
<b>Net Income (Loss) \$</b>	<b>16,494.37</b>	<b>82.76</b>	<b>15,842.56</b>	<b>80.74</b>	<b>\$ 61,914.29</b>	<b>74.94</b>	<b>\$ 46,925.00</b>	<b>57.54</b>

See Accountant's Compilation Report

FBO007108

**BAXTER**  
**DEFENDANT'S EXHIBIT**  
**31**

**2004 TAX RETURN****Preparer Review Copy****Client:** 200316**Prepared for:** Lew E and Susan R Baxter**Prepared by:** Frank V. Jones, CPA**Date:** March 22, 2008**Comments:****Route to:** \_\_\_\_\_

FDL2001L 04/07/04

**DEFENDANT'S  
EXHIBIT**

BAXTER 31

**FBO007132**



CLIENT 200316

FRANK V. JONES, CPA

March 22, 2008

Lew E and Susan R Baxter

Dear Lew & Susy,

Enclosed is your 2004 Federal Individual Income Tax Return. The original should be signed at the bottom of page two. Both spouses should sign. There is a balance due of \$8,816.

Make your check payable to the "United States Treasury" and mail your Federal return with Form 1040-V payment voucher on or before April 15, 2005 to:

INTERNAL REVENUE SERVICE  
P.O. BOX 105017  
ATLANTA, GA 30348-5017

Enclosed is your 2004 Alabama Individual Income Tax Return. The original should be signed at the bottom of page two. Both spouses should sign. There is a balance due of \$1,932.

Make your check payable to the "Alabama Department of Revenue" and mail your Alabama return with Form 40V payment voucher on or before April 15, 2005 to:

ALABAMA DEPARTMENT OF REVENUE  
P.O. BOX 2401  
MONTGOMERY, AL 36140-0001

Please be sure to call if you have any questions.

Sincerely,

FBO007133

Department of the Treasury — Internal Revenue Service

**Form 1040 U.S. Individual Income Tax Return 2004** (99) IRS Use Only — Do not write or staple in this space.

For the year Jan 1 - Dec 31, 2004, or other tax year beginning 2004, ending 20

**Label** (See instructions.)

**Use the IRS label.** Otherwise, please print or type.

**Presidential Election Campaign** (See instructions.)

**OMB No. 1545-0047**

Your first name MI Last name

Lew E Baxter

If a joint return, spouse's first name MI Last name

Susan R Baxter

City, town or post office. If you have a foreign address, see instructions.

Deatsville, AL 36022

State ZIP code

**Important!** You must enter your social security number(s) above.

**Filing Status**

1 ☐ Single

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above & full name here

4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here

5 ☐ Qualifying widow(er) with dependent child (see instructions)

**Check only one box.**

**Exemptions**

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☒ Spouse.

c Dependents:

(2) Dependent's social security number

(3) Dependent's relationship to you

(4) ☒ Yes, I am a qualifying child for child tax credit (see instructions)

Boxes checked on 6a and 6b: 2

No. of children as to whom:

• lived with you: 1

• did not live with you due to divorce or separation (see instructions):

Dependents on the not entered above:

Add numbers on lines above: 3

d Total number of exemptions claimed: 3

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2: 29,396.

8a Taxable interest. Attach Schedule B if required: 47.

b Tax-exempt interest. Do not include on line 8a: 8b

9a Ordinary dividends. Attach Schedule B if required: 9a

b Qualified div (see instrs): 9b

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions): 10

11 Alimony received: 11

12 Business income or (loss). Attach Schedule C or C-EZ: 47,306.

13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here: 76.

14 Other gains or (losses). Attach Form 4797: 14

15a IRA distributions: 15a

b Taxable amount (see instrs): 15b 12,503.

16a Pensions and annuities: 16a 6,571.

b Taxable amount (see instrs): 16b 6,212.

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E: 17

18 Farm income or (loss). Attach Schedule F: 18

19 Unemployment compensation: 19

20a Social security benefits: 20a

b Taxable amount (see instrs): 20b

21 Other income **Qualified Tuition Program Earnings**: 21 2.

22 Add the amounts in the far right column for lines 7 through 21. This is your total income: 95,542.

**Adjusted Gross Income**

23 Educator expenses (see instructions): 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ: 24

25 IRA deduction (see instructions): 25

26 Student loan interest deduction (see instructions): 26

27 Tuition and fees deduction (see instructions): 27

28 Health savings account deduction. Attach Form 8889: 28

29 Moving expenses. Attach Form 3903: 29

30 One-half of self-employment tax. Attach Schedule SE: 30

31 Self-employed health insurance deduction (see instrs): 4,001.

32 Self-employed SEP, SIMPLE, and qualified plans: 32

33 Penalty on early withdrawal of savings: 33 6.

34a Alimony paid. b Recipient's SSN: 34a

35 Add lines 23 through 34a: 4,007.

36 Subtract line 35 from line 22. This is your adjusted gross income: 91,535.

**BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see Instructions.**

FDIA0112L 11/10/04 Form 1040 (2004)

FBO007134

Form 1040 (2004) <b>Lew E and Susan R Baxter</b>		Page 2
<b>Tax and Credits</b>		91,535.
37 Amount from line 36 (adjusted gross income) ..... 37 38a Check <input type="checkbox"/> You were born before January 2, 1940, <input type="checkbox"/> Blind. Total boxes <input type="checkbox"/> if: <input type="checkbox"/> Spouse was born before January 2, 1940, <input type="checkbox"/> Blind. checked > 38a <input type="checkbox"/> b If your spouse itemizes on a separate return, or you were a dual-status alien, see instructions and check here ..... 38b <input type="checkbox"/>		
<b>Standard Deduction for —</b> • People who checked any box on line 38a or 38b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$4,850 Married filing jointly or Qualifying widow(er), \$9,700 Head of household, \$7,150	39 Itemized deductions (from Schedule A) or your standard deduction (see left margin) ..... 39	14,281.
	40 Subtract line 39 from line 37 ..... 40	77,254.
	41 If line 37 is \$107,025 or less, multiply \$3,100 by the total number of exemptions claimed on line 6d. If line 37 is over \$107,025, see the worksheet in the instructions ..... 41	9,300.
	42 Taxable income. Subtract line 41 from line 40. If line 41 is more than line 40, enter -0- ..... 42	67,954.
	43 Tax (see Instrs). Check if any tax is from: a <input type="checkbox"/> Form(s) 9814 b <input type="checkbox"/> Form 4972 ..... 43	10,455.
	44 Alternative minimum tax (see instructions). Attach Form 6251 ..... 44	0.
	45 Add lines 43 and 44 ..... 45	10,455.
	46 Foreign tax credit. Attach Form 1116 if required ..... 46	
	47 Credit for child and dependent care expenses. Attach Form 2441 ..... 47	271.
	48 Credit for the elderly or the disabled. Attach Schedule R ..... 48	
49 Education credits. Attach Form 8863 ..... 49		
50 Retirement savings contributions credit. Attach Form 8880 ..... 50		
51 Child tax credit (see instructions) ..... 51	1,000.	
52 Adoption credit. Attach Form 8839 ..... 52		
53 Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8859 ..... 53		
54 Other credits. Check applicable box(es): a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Specify ..... 54		
55 Add lines 46 through 54. These are your total credits ..... 55	1,271.	
56 Subtract line 55 from line 45. If line 55 is more than line 45, enter -0- ..... 56	9,184.	
<b>Other Taxes</b>		
57 Self-employment tax. Attach Schedule SE ..... 57		
58 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 ..... 58		
59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required ..... 59	1,872.	
60 Advance earned income credit payments from Form(s) W-2 ..... 60		
61 Household employment taxes. Attach Schedule H ..... 61		
62 Add lines 58-61. This is your total tax ..... 62	11,056.	
<b>Payments</b>		
63 Federal income tax withheld from Forms W-2 and 1099 ..... 63	2,478.	
64 2004 estimated tax payments and amount applied from 2003 return ..... 64		
65a Earned income credit (EIC) ..... 65a		
b Nonrefundable earned income credit ..... 65b		
66 Excess social security and tier 1 RRTA tax withheld (see instructions) ..... 66		
67 Additional child tax credit. Attach Form 8812 ..... 67		
68 Amount paid with request for extension to file (see instructions) ..... 68		
69 Other payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885 ..... 69		
70 Add lines 63, 64, 65a, and 66 through 69. These are your total payments ..... 70	2,478.	
<b>Refund</b>		
71 If line 70 is more than line 62, subtract line 62 from line 70. This is the amount you overpaid ..... 71		
72a Amount of line 71 you want refunded to you ..... 72a		
b Routing number ..... c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
d Account number ..... 73		
73 Amount of line 71 you want applied to your 2005 estimated tax ..... 73		
74 Amount you owe. Subtract line 70 from line 62. For details on how to pay, see instructions ..... 74	8,816.	
75 Estimated tax penalty (see instructions) ..... 75	238.	
<b>Amount You Owe</b>		
Do you want to allow another person to discuss this return with the IRS (see instructions)? <input checked="" type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No		
<b>Third Party Designee</b>	Designee's name <b>Preparer</b> Phone no. _____ Personal identification number (PIN) _____	
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
Joint return? See instructions.	Your signature _____ Date _____ Your occupation <b>Distributor</b> Daytime phone number _____	
Keep a copy for your records.	Spouse's signature, if a joint return, both must sign. _____ Date _____ Spouse's occupation <b>Executive Assistant</b> _____	
<b>Paid Preparer's Use Only</b>	Preparer's signature _____ Date _____ Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN _____	
	Firm's name (or self-address) <b>Frank V. Jones, CPA</b> EIN _____ Phone _____	

Form **2210**Department of the Treasury  
Internal Revenue Service**Underpayment of  
Estimated Tax by Individuals, Estates, and Trusts**▶ See separate instructions.  
▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

OMB No. 1545-0140

**2004**

06

Name(s) shown on tax return

Lew E and Susan R Baxter

**Do You Have To File Form 2210?**

Complete lines 1 through 7 below. Is line 7 less than \$1,000?	Yes	Do not file Form 2210. You do not owe a penalty.
No		
Complete lines 8 and 9 below. Is line 6 equal to or more than line 9?	Yes	You do not owe a penalty. Do not file Form 2210 (but if box E below applies, you must file page 1 of Form 2210 below).
No		
You may owe a penalty. Does any box in Part II below apply?	Yes	You must file Form 2210. Does box B, C, or D apply?
No		
	No	You must figure your penalty.
	Yes	
Do not file Form 2210. You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return (see instructions), but do not file Form 2210.		You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return (see instructions), but file only page 1 of Form 2210.

**Part I Required Annual Payment (see instructions)**

1 Enter your 2004 tax after credits from Form 1040, line 56 (or comparable line of your return).	1	9,184.
2 Other taxes, including self-employment tax (see instructions).	2	1,872.
3 Refundable credits. Enter the total of your earned income credit, additional child tax credit, credit for federal tax paid on fuels, and health coverage tax credit for eligible individuals.	3	0.
4 Current year tax. Combine lines 1, 2, and 3.	4	11,056.
5 Multiply line 4 by 90% (.90).	5	9,950.
6 Withholding taxes. Do not include estimated tax payments. See instructions.	6	2,478.
7 Subtract line 6 from line 4. If less than \$1,000, you do not owe a penalty; do not file Form 2210.	7	8,578.
8 Maximum required annual payment based on prior year's tax (see instructions).	8	15,071.
9 Required annual payment. Enter the smaller of line 5 or line 8.	9	9,950.

Next: Is line 9 more than line 6?

☐ No. You do not owe a penalty. Do not file Form 2210 unless box E below applies.☒ Yes. You may owe a penalty, but do not file Form 2210 unless one or more boxes in Part II below applies.

• If box B, C, or D applies, you must figure your penalty and file Form 2210.

• If only box A or E (or both) applies, file only page 1 of Form 2210. You are not required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return (see instructions), but file only page 1 of Form 2210.

**Part II Reasons for Filing. Check applicable boxes. If none apply, do not file Form 2210.**

- A ☐ You request a **waiver** (see instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B ☐ You request a **waiver** (see instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C ☐ Your **income** varied during the year and your penalty is reduced or eliminated when figured using the annualized income installment method. You must figure the penalty using Schedule AI and file Form 2210.
- D ☐ Your penalty is lower when figured by treating the federal income tax withheld from your wages as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- E ☐ You filed or are filing a joint return for either 2003 or 2004, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are not required to figure your penalty (unless box B, C, or D applies).

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 2210 (2004)

Form 2210 (2004) Lew E and Susan R Baxter

Page 2

**Part III Short Method**

You may use the short method if:

- You made no estimated tax payments (or your only payments were withheld federal income tax) or
- You paid estimated tax in equal amounts on your due dates.

You must use the regular method (Part IV) instead of the short method if:

- You made any estimated tax payments late,
- You checked box C or D in Part II, or
- You are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding.

**Note:** If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.

10	Enter the amount from line 9, Form 2210.....	10	9,950.
11	Enter the amount, if any, from line 6, Form 2210.....	11	2,478.
12	Enter the total amount, if any, of estimated tax payments you made.....	12	
13	Add lines 11 and 12.....	13	2,478.
14	Total underpayment for year. Subtract line 13 from line 10. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box E on page 1.....	14	7,472.
15	Multiply line 14 by .03184.....	15	238.
16	<ul style="list-style-type: none"> <li>• If the amount on line 14 was paid on or after 4/15/05, enter -0-.</li> <li>• If the amount on line 14 was paid before 4/15/05, make the following computation to find the amount to enter on line 16.</li> </ul>		
	Amount on line 14      x      Number of days paid before 4/15/05      x      .00014.....	16	0.
17	Penalty. Subtract line 16 from line 15. Enter the result here and on Form 1040, line 75; Form 1040A, line 48; Form 1040NR, line 73; Form 1040NR-EZ, line 26; or Form 1041, line 26, but do not file Form 2210 unless you checked a box in Part II on page 1.....	17	238.

Form 2210 (2004)



**SCHEDULE A**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Itemized Deductions**▶ Attach to Form 1040.  
▶ See Instructions for Schedule A (Form 1040).

OMB No. 1545-0074

**2004**  
**07**

Name(s) shown on Form 1040

Lew E and Susan R Baxter

<b>Medical and Dental Expenses</b>	Caution. Do not include expenses reimbursed or paid by others.		
1	Medical and dental expenses (see instructions)	1	
2	Enter amount from Form 1040, line 37	2	
3	Multiply line 2 by 7.5% (.075)	3	
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4	0.
<b>Taxes You Paid</b>	5 State and local (check only one box):	5	1,244.
(See instructions.)	a <input checked="" type="checkbox"/> Income taxes, or	6	362.
	b <input type="checkbox"/> General sales taxes (see instructions)	7	
6	Real estate taxes (see instructions)	8	
7	Personal property taxes	9	1,606.
8	Other taxes. List type and amount ▶		
9	Add lines 5 through 8	9	1,606.
<b>Interest You Paid</b>	10 Home mtg interest and points reported to you on Form 1098	10	10,899.
(See instructions.)	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶		
<b>Note. Personal interest is not deductible.</b>	12 Points not reported to you on Form 1098. See instrs for special rules	11	
	13 Investment interest. Attach Form 4952 if required. (See instrs.)	12	
	14 Add lines 10 through 13	13	
		14	10,899.
<b>Gifts to Charity</b>	15 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	15	1,416.
If you made a gift and got a benefit for it, see instructions.	16 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500.	16	360.
	17 Carryover from prior year	17	
	18 Add lines 15 through 17	18	1,776.
<b>Casualty and Theft Losses</b>	19 Casualty or theft loss(es). Attach Form 4684. (See instructions.)	19	0.
<b>Job Expenses and Most Other Miscellaneous Deductions</b>	20 Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	20	
(See instructions.)	21 Tax preparation fees	21	
	22 Other expenses — investment, safe deposit box, etc. List type and amount ▶	22	
	23 Add lines 20 through 22	23	
	24 Enter amount from Form 1040, line 37	24	
	25 Multiply line 24 by 2% (.02)	25	
	26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	26	0.
<b>Other Miscellaneous Deductions</b>	27 Other — from list in the instructions. List type and amount ▶	27	0.
<b>Total Itemized Deductions</b>	28 Is Form 1040, line 37, over \$142,700 (over \$71,350 if MFS)?	28	14,281.
	<input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 39.		
	<input type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.		

**SCHEDULE C**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service**Profit or Loss From Business**  
**(Sole Proprietorship)**Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.  
Attach to Form 1040 or 1041. See instructions for Schedule C (Form 1040).

OMB No. 1545-0074

**2004**  
**09**

Name of proprietor

Lew E Baxter

A Principal business or profession, including product or service (see instructions)

Distributor

Enter code from instructions

424990

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.)  
City, town or post office, state, and ZIP codeF Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶G Did you 'materially participate' in the operation of this business during 2004? If 'No,' see instructions for limit on losses. ... ☒ Yes ☐ NoH If you started or acquired this business during 2004, check here ▶ ☐ ☐**Part I Income**

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. <input checked="" type="checkbox"/>	1	80,974.
2 Returns and allowances	2	
3 Subtract line 2 from line 1.	3	80,974.
4 Cost of goods sold (from line 42 on page 2).	4	
5 Gross profit. Subtract line 4 from line 3.	5	80,974.
6 Other income, including Federal and state gasoline or fuel tax credit or refund.	6	
7 Gross income. Add lines 5 and 6.	7	80,974.

**Part II Expenses. Enter expenses for business use of your home only on line 30.**

8 Advertising	8	167.	19 Pension and profit-sharing plans	19	
9 Car and truck expenses (see instructions)	9	5,707.	20 Rent or lease (see instructions):	20	
10 Commissions and fees	10		a Vehicles, machinery, and equipment	20a	
11 Contract labor (see instructions)	11		b Other business property	20b	
12 Depletion	12		21 Repairs and maintenance	21	490.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		22 Supplies (not included in Part III)	22	321.
14 Employee benefit programs (other than on line 19)	14		23 Taxes and licenses	23	
15 Insurance (other than health)	15	1,753.	24 Travel, meals, and entertainment:	24	
16 Interest:	16		a Travel	24a	
a Mortgage (paid to banks, etc.)	16a	4,648.	b Meals and entertainment	24b	28.
b Other	16b		c Enter nondeductible amount included on line 24b (see instrs)	24c	14.
17 Legal & professional services	17		d Subtract line 24c from line 24b	24d	14.
18 Office expense	18	37.	25 Utilities	25	
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28	33,668.	26 Wages (less employment credits)	26	
29 Tentative profit (loss). Subtract line 28 from line 7.	29	47,306.	27 Other expenses (from line 48 on page 2)	27	20,531.
30 Expenses for business use of your home. Attach Form 8829.	30				
31 Net profit or (loss). Subtract line 30 from line 29.	31	47,306.			

• If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

32a ☐ All investment is at risk.

• If you checked 32b, you must attach Form 6198.

32b ☐ Some investment is not at risk.

AAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule C (Form 1040) 2004

FD-20112L 03/06/04

FBO007139

Schedule C (Form 1040) 2004 Lew E BaxterPage 2**Part I Cost of Goods Sold** (see instructions)39 Method(s) used to value closing inventory: ☐ Cost ☐ Lower of cost or market ☐ Other (attach explanation)34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? ☐ Yes ☐ No  
If 'Yes,' attach explanation.

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation

36 Purchases less cost of items withdrawn for personal use

37 Cost of labor. Do not include any amounts paid to yourself

38 Materials and supplies

39 Other costs

40 Add lines 35 through 39

41 Inventory at end of year

42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.

**Part II Information on Your Vehicle.** Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) \_\_\_\_\_

44 Of the total number of miles you drove your vehicle during 2004, enter the number of miles you used your vehicle for:

☐ Business ☐ Commuting ☐ Other45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No47a Do you have evidence to support your deduction? ☐ Yes ☐ Nob If 'Yes,' is the evidence written? ☐ Yes ☐ No**Part III Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

See Statement 1

48 Total other expenses. Enter here and on page 1, line 27 48 20,531.

Schedule C (Form 1040) 2004



**SCHEDULE D**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Capital Gains and Losses**▶ Attach to Form 1040. ▶ See instructions for Schedule D (Form 1040).  
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0047

**2004**  
**12**

Name(s) shown on Form 1040

**Lew E and Susan R Baxter****Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less**

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2...	2				
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d).....	3				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824.....	4				
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.....	5				
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions.....	6				
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f).....	7				

**Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year**

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
8 Pioneer Fund A			76.	0.	76.
9 Enter your long-term totals, if any, from Schedule D-1, line 9....	9				
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d).....	10		76.		
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824.....	11				
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.....	12				
13 Capital gain distributions. See instrs.....	13				
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions.....	14				
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2.....	15				76.

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule D (Form 1040) 2004

Schedule D (Form 1040) 2004 **Lew E and Susan R Baxter**Page **2****Part II Summary**

<b>16</b> Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below .....	<b>16</b>	<b>76.</b>
<b>17</b> Are lines 15 and 16 both gains?		
<input checked="" type="checkbox"/> <b>Yes.</b> Go to line 18.		
<input type="checkbox"/> <b>No.</b> Skip lines 18 through 21, and go to line 22.		
<b>18</b> Enter the amount, if any, from line 7 of the <b>28% Rate Gain Worksheet</b> in the instructions .....	<b>18</b>	<b>0.</b>
<b>19</b> Enter the amount, if any, from line 18 of the <b>Unrecaptured Section 1250 Gain Worksheet</b> in the instructions .....	<b>19</b>	
<b>20</b> Are lines 18 and 19 both zero or blank?		
<input checked="" type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 42, and then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040. Do not complete lines 21 and 22 below.		
<input type="checkbox"/> <b>No.</b> Complete Form 1040 through line 42, and then complete the <b>Schedule D Tax Worksheet</b> in the instructions. Do not complete lines 21 and 22 below.		
<b>21</b> If line 16 is a loss, enter here and on Form 1040, line 13, the smaller of:		
<ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500) ] .....</li> </ul>	<b>21</b>	
<b>Note.</b> When figuring which amount is smaller, treat both amounts as positive numbers.		
<b>22</b> Do you have qualified dividends on Form 1040, line 9b?		
<input type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 42, and then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040.		
<input type="checkbox"/> <b>No.</b> Complete the rest of Form 1040.		

Schedule D (Form 1040) 2004

Form **2441****Child and Dependent Care Expenses**

OMB No. 1545-0048

**2004**

21

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040.

▶ See separate instructions.

Name(s) shown on Form 1040

Lew E and Susan R Barter

**Before you begin:** You need to understand the following terms. See Definitions in the instructions.  
• Dependent Care Benefits • Qualifying Person(s) • Qualified Expenses**Part I** **Persons or Organizations Who Provided the Care** — You must complete this part.  
(If you need more space, use the bottom of page 2.)

1	(a) Care provider's name  code)	(c) Identifying no. (SSN or EIN)	(d) Amount paid (see instructions)
	Montgomery, AL 36117		1,355.

Did you receive  
dependent care benefits?

No

Yes

Complete only Part II below.

Complete Part III on page 2 next.

**Caution.** If the care was provided in your home, you may owe employment taxes. See the instructions for Form 1040, line 51.**Part II** **Credit for Child and Dependent Care Expenses****2** Information about your qualifying person(s). If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name	(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2004 for the person listed in column (a)
First Last		1,355.

**3** Add the amounts in column (c) of line 2. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 32.**4** Enter your earned income. See instructions.**5** If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); all others, enter the amount from line 4.**6** Enter the smallest of line 3, 4, or 5.**7** Enter the amount from Form 1040, line 37.**8** Enter on line 8 the decimal amount shown below that applies to the amount on line 7

If line 7 is:

Over	But not over	Decimal amount is
------	--------------	-------------------

\$0 — 15,000	.35
15,000 — 17,000	.34
17,000 — 19,000	.33
19,000 — 21,000	.32
21,000 — 23,000	.31
23,000 — 25,000	.30
25,000 — 27,000	.29
27,000 — 29,000	.28

If line 7 is:

Over	But not over	Decimal amount is
------	--------------	-------------------

\$29,000 — 31,000	.27
31,000 — 33,000	.26
33,000 — 35,000	.25
35,000 — 37,000	.24
37,000 — 39,000	.23
39,000 — 41,000	.22
41,000 — 43,000	.21
43,000 — No limit	.20

**9** Multiply line 6 by the decimal amount on line 8. If you paid 2003 expenses in 2004, see the instructions.**10** Enter the amount from Form 1040, line 45, minus any amount on Form 1040, line 46.**11** Credit for child and dependent care expenses. Enter the smaller of line 9 or line 10 here and on Form 1040, line 47.**BAA** For Paperwork Reduction Act Notice, see separate instructions.

Form 2441 (2004)

Form **5329**

OMB No. 1545-0043

**Additional Taxes on Qualified Plans  
(Including IRAs), and Other Tax-Favored Accounts****2004**Department of the Treasury  
Internal Revenue Service (99)▶ Attach to Form 1040.  
▶ See separate instructions.**29**

Name of individual subject to additional tax. If married filing jointly, see the instructions.

**Lew E Baxter**Fill in Your Address  
Only If You Are Filing  
This Form by Itself and  
Not With Your  
Tax Return

Home address (number and street), or P.O. box if mail is not delivered to your home

Apartment number

City, town or post office

State ZIP code

If this is an amended  
return, check here. ☐

If you only owe the additional 10% tax on early distributions, you may be able to report this tax directly on Form 1040, line 59, without filing Form 5329. See the instructions for Form 1040, line 59.

**Part I Additional Tax on Early Distributions**

Complete this part if you took a taxable distribution, before you reached age 59-1/2, from a qualified retirement plan (including an IRA) or modified endowment contract (unless you are reporting this tax directly on Form 1040—see above). You also may have to complete this part to indicate that you qualify for an exception to the additional tax on early distributions or for certain Roth IRA distributions (see instructions).

1	Early distributions included in income. For Roth IRA distributions, see instructions.	1	13,956.
2	Early distributions included on line 1 that are not subject to the additional tax (see instructions). Enter the appropriate exception number from the instructions:	2	
3	Amount subject to additional tax. Subtract line 2 from line 1.	3	13,956.
4	Additional tax. Enter 10% (.10) of line 3. Include this amount on Form 1040, line 59.	4	1,396.
Caution: If any part of the amount on line 3 was a distribution from a SIMPLE IRA, you may have to include 25% of that amount on line 4 instead of 10% (see instructions).			

**Part II Additional Tax on Certain Distributions From Education Accounts**

Complete this part if you included an amount in income, on Form 1040, line 21, from a Coverdell education savings account (ESA) or a qualified tuition program (QTP).

5	Distributions included in income from Coverdell ESAs and QTPs.	5	
6	Distributions included on line 5 that are not subject to the additional tax (see instructions).	6	
7	Amount subject to additional tax. Subtract line 6 from line 5.	7	
8	Additional tax. Enter 10% (.10) of line 7. Include this amount on Form 1040, line 59.	8	

**Part III Additional Tax on Excess Contributions to Traditional IRAs**

Complete this part if you contributed more to your traditional IRAs for 2004 than is allowable or you had an amount on line 17 of your 2003 Form 5329.

9	Enter your excess contributions from line 16 of your 2003 Form 5329 (see instructions). If zero, go to line 15.	9	
10	If your traditional IRA contributions for 2004 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-.	10	
11	2004 traditional IRA distributions included in income (see instructions).	11	
12	2004 distributions of prior year excess contributions (see instructions).	12	
13	Add lines 10, 11, and 12.	13	
14	Prior year excess contributions. Subtract line 13 from line 9. If zero or less, enter -0-.	14	
15	Excess contributions for 2004 (see instructions).	15	
16	Total excess contributions. Add lines 14 and 15.	16	
17	Additional tax. Enter 6% (.06) of the smaller of line 16 or the value of your traditional IRAs on December 31, 2004 (including 2004 contributions made in 2005). Include this amount on Form 1040, line 59.	17	

**Part IV Additional Tax on Excess Contributions to Roth IRAs**

Complete this part if you contributed more to your Roth IRAs for 2004 than is allowable or you had an amount on line 25 of your 2003 Form 5329.

18	Enter your excess contributions from line 24 of your 2003 Form 5329 (see instructions). If zero, go to line 23.	18	
19	If your Roth IRA contributions for 2004 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-.	19	
20	2004 distributions from your Roth IRAs (see instructions).	20	
21	Add lines 19 and 20.	21	
22	Prior year excess contributions. Subtract line 21 from line 18. If zero or less, enter -0-.	22	
23	Excess contributions for 2004 (see instructions).	23	
24	Total excess contributions. Add lines 22 and 23.	24	
25	Additional tax. Enter 6% (.06) of the smaller of line 24 or the value of your Roth IRAs on December 31, 2004 (including 2004 contributions made in 2005). Include this amount on Form 1040, line 59.	25	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FD-5329 11/22/04

Form 5329 (2004)

FBO007144

Form **5329****Additional Taxes on Qualified Plans  
(Including IRAs), and Other Tax-Favored Accounts**

OMB No. 1545-0020

**2004**Department of the Treasury  
Internal Revenue Service (99)▶ Attach to Form 1040.  
▶ See separate instructions.**29**

Name of individual subject to additional tax. If married filing jointly, see the instructions.

**Susan R Baxter**Fill in Your Address  
Only If You Are Filing  
This Form by Itself and  
Not With Your  
Tax Return

Home address (number and street), or P.O. box if mail is not delivered to your home

Apartment number

City, town or post office

State ZIP code

If this is an amended  
return, check here.....☐

If you only owe the additional 10% tax on early distributions, you may be able to report this tax directly on Form 1040, line 59, without filing Form 5329. See the instructions for Form 1040, line 59.

**Part I Additional Tax on Early Distributions**

Complete this part if you took a taxable distribution, before you reached age 59-1/2, from a qualified retirement plan (including an IRA) or modified endowment contract (unless you are reporting this tax directly on Form 1040—see above). You also may have to complete this part to indicate that you qualify for an exception to the additional tax on early distributions or for certain Roth IRA distributions (see instructions).

1 Early distributions included in income. For Roth IRA distributions, see instructions.....	1	4,759.
2 Early distributions included on line 1 that are not subject to the additional tax (see instructions). Enter the appropriate exception number from the instructions: .....	2	
3 Amount subject to additional tax. Subtract line 2 from line 1.....	3	4,759.
4 Additional tax. Enter 10% (.10) of line 3. Include this amount on Form 1040, line 59.....	4	476.
Caution: If any part of the amount on line 3 was a distribution from a SIMPLE IRA, you may have to include 25% of that amount on line 4 instead of 10% (see instructions).		

**Part II Additional Tax on Certain Distributions From Education Accounts**

Complete this part if you included an amount in income, on Form 1040, line 21, from a Coverdell education savings account (ESA) or a qualified tuition program (QTP).

5 Distributions included in income from Coverdell ESAs and QTPs.....	5	2.
6 Distributions included on line 5 that are not subject to the additional tax (see instructions).....	6	
7 Amount subject to additional tax. Subtract line 6 from line 5.....	7	2.
8 Additional tax. Enter 10% (.10) of line 7. Include this amount on Form 1040, line 59.....	8	

**Part III Additional Tax on Excess Contributions to Traditional IRAs**

Complete this part if you contributed more to your traditional IRAs for 2004 than is allowable or you had an amount on line 17 of your 2003 Form 5329.

9 Enter your excess contributions from line 16 of your 2003 Form 5329 (see instructions). If zero, go to line 15.....	9	
10 If your traditional IRA contributions for 2004 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-.....	10	
11 2004 traditional IRA distributions included in income (see instructions).....	11	
12 2004 distributions of prior year excess contributions (see instructions).....	12	
13 Add lines 10, 11, and 12.....	13	
14 Prior year excess contributions. Subtract line 13 from line 9. If zero or less, enter -0-.....	14	
15 Excess contributions for 2004 (see instructions).....	15	
16 Total excess contributions. Add lines 14 and 15.....	16	
17 Additional tax. Enter 6% (.06) of the smaller of line 16 or the value of your traditional IRAs on December 31, 2004 (including 2004 contributions made in 2005). Include this amount on Form 1040, line 59.....	17	

**Part IV Additional Tax on Excess Contributions to Roth IRAs**

Complete this part if you contributed more to your Roth IRAs for 2004 than is allowable or you had an amount on line 25 of your 2003 Form 5329.

18 Enter your excess contributions from line 24 of your 2003 Form 5329 (see instructions). If zero, go to line 23..	18	
19 If your Roth IRA contributions for 2004 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-.....	19	
20 2004 distributions from your Roth IRAs (see instructions).....	20	
21 Add lines 19 and 20.....	21	
22 Prior year excess contributions. Subtract line 21 from line 18. If zero or less, enter -0-.....	22	
23 Excess contributions for 2004 (see instructions).....	23	
24 Total excess contributions. Add lines 22 and 23.....	24	
25 Additional tax. Enter 6% (.06) of the smaller of line 24 or the value of your Roth IRAs on December 31, 2004 (including 2004 contributions made in 2005). Include this amount on Form 1040, line 59.....	25	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIA5012L 11/22/04

Form 5329 (2004)

FBO007145

2004

## Federal Statements

Page 1

Client 200316

Lew E and Susan R Baxter

3/22/08

04:26PM

**Statement 1 - Distributor  
Schedule C, Part V  
Other Expenses**

Administration.....	\$	490.
Amortization.....		2,857.
Casual Labor.....		5,540.
Equipment Rental.....		7,301.
Other Operating Expenses.....		950.
PBS Shrink Charge.....		427.
Relief Driver.....		444.
Telephone.....		808.
Uniforms.....		440.
Warehouse Rent/Utilities.....		1,274.
Total	\$	<u>20,531.</u>

FBO007146



Form 40		Alabama Individual Income Tax Return		RESIDENTS AND PART-YEAR RESIDENTS		2004	
For the year Jan 1 - Dec 31, 2004, or other tax year		FN (For official use only)					
Beginning		Ending					
Your first name & initials for return, and spouse's first name & MI Last name							
Lew E and Susan R Baxter							
state ZIP code							
Deatsville, AL 36022							
Filing Status and Exemptions		1 <input type="checkbox"/> \$1,500 Single		5 Name			
Check only one box.		2 <input checked="" type="checkbox"/> \$3,000 Married filing joint return (even if only one spouse had income).		SSN			
		3 <input type="checkbox"/> \$1,500 Married filing separate return. Complete line 5 with spouse's name and SSN.		Relationship			
		4 <input type="checkbox"/> \$3,000 Head of family (with qualifying person). (See instructions.) Complete line 5.					
Income and Adjustments		6 Wages, salaries, tips, etc (list each employer and address separately)		A - Alabama tax withheld		B - Income	
		a		6a		6a	
		b		6b		6b	
		c		6c		6c	
		d		6d		6d	
7 Interest and dividend income (also attach Schedule B if over \$1,500)		7		7		7	
8 Other income (from page 2, Part I, line 9)		8		8		8	
9 Total income. Add amounts in the income column for line 6a through line 8.		9		9		9	
10 Total adjustments to income (from page 2, Part II, line 8)		10		10		10	
11 Adjusted gross income. Subtract line 10 from line 9.		11		11		11	
Deductions		12 Check box a, if you itemize deductions, and enter amount from Sch A, line 25.		Box a or b MUST be checked			
You Must Attach page 2 of Federal Form 1040, Federal Form 1040A, page 1 of 1040EZ, or a copy of your federal Schedule if claiming a deduction on line 13.		Check box b, if you do not itemize deductions, and enter standard deduction		12		12	
		a <input checked="" type="checkbox"/> Itemized Deductions b <input type="checkbox"/> Standard Deduction		12		12	
13 Federal tax liability deduction (see instructions)		13		13		13	
DO NOT ENTER THE FEDERAL TAX WITHHELD FROM YOUR FORM W-2(s)		13		13		13	
14 Personal exemption (from line 1, 2, 3, or 4)		14		14		14	
15 Dependent exemption (from page 2, Part III, line 2)		15		15		15	
16 Total deductions. Add lines 12, 13, 14, and 15		16		16		16	
17 Taxable income. Subtract line 16 from line 11		17		17		17	
18 Income tax due. Enter here and check if from: <input type="checkbox"/> Form NOL-85A		18		18		18	
19 Less credits from: <input type="checkbox"/> Schedule CR and/or <input type="checkbox"/> Schedule OC		19		19		19	
20a Net tax due Alabama. Subtract line 19 from line 18		20a		20a		20a	
b Consumer Use Tax (use worksheet in the instructions)		20b		20b		20b	
You may make a voluntary contribution to any of the following: Alabama Election Campaign Fund, or the Neighbors Helping Neighbors Fund.		20b		20b		20b	
c AL Democratic Party \$1 \$2 <input checked="" type="checkbox"/> none		20b		20b		20b	
d AL Republican Party \$1 \$2 <input checked="" type="checkbox"/> none		20b		20b		20b	
e Neighbors Helping Neighbors		20b		20b		20b	
22 Total tax liability and voluntary contribution. Add lines 20a, 20b, 21a, 21b, and 21c		22		22		22	
23 Alabama income tax withheld (from Forms W-2, W-26, and/or 1099)		23		23		23	
24 Amount paid with extension (attach Form 4868A)		24		24		24	
25 2004 estimated tax payments (see instructions)		25		25		25	
26 Total payments. Add lines 23 through 25		26		26		26	
27 If line 22 is larger than line 26, subtract line 26 from line 22, and enter AMOUNT YOU OWE. Place payment, along with Form 40V, loose in the mailing envelope. (FORM 40V MUST ACCOMPANY PAYMENT.) If paying by credit card do not include Form 40V and check here <input type="checkbox"/> Estimated tax penalty. Also include on line 27 (see instructions)		27		27		27	
28		28		28		28	
29 If line 25 is larger than line 22, subtract line 22 from line 26, & enter amount OVERPAID.		29		29		29	
30 Amount of line 29 to be applied to your 2005 estimated tax		30		30		30	
31 You may donate all or part of your overpayment. (Enter \$1, \$5, \$10, \$25, none, or other amount in appropriate boxes)		31		31		31	
a Senior Services Trust Fund		a		a		a	
b AL Arts Development Fund		b		b		b	
c AL Nongame Wildlife Fund		c		c		c	
d Child Abuse Trust Fund		d		d		d	
e AL Veterans Program		e		e		e	
f AL Indian Children's Scholarship Fund		f		f		f	
g Penny Trust Fund		g		g		g	
h Foster Care Trust Fund		h		h		h	
i Mental Health		i		i		i	
j AL Breast and Cervical Cancer Program		j		j		j	
k AL 4-H Club		k		k		k	
32 Total. Add line 30 and lines 31a, b, c, d, e, f, g, h, i, j, and k		32		32		32	
33 REFUND TO YOU. (CAUTION: You must sign this return on page 2) Subtract line 32 from line 29. For Direct Deposit, check here <input type="checkbox"/> and complete Part V, Page 2		33		33		33	

ALJAD112L 12/14/04

AL30

FBO007147

FORM 40 (2004) Lew E and Susan R Baxter

AGE 2

<b>PART I</b>		1	Alimony received.....	1	00
		2	Business income or (loss) (attach Federal Schedule C or C-EZ).....	2	47,306 00
		3	Gain or (loss) from sale of Real Estate, Stocks, Bonds, etc (attach Schedule D).....	3	76 00
Other income (see instructions)	4 a	4a	Total IRA distributions.....	4b	12,503 00
	5 a	5a	Total pensions & annuities.....	5b	6,212 00
		6	Rents, royalties, partnerships, estates, trusts, etc (attach Schedule E).....	6	00
		7	Farm income or (loss) (attach Federal Schedule F).....	7	00
		8	Other income (state nature and source - see instructions)..... Qual. State Tuition Program Earnings	8	2 00
		9	Total other income. Add lines 1 through 8. Enter here and also on page 1, line 8.....	9	66,099 00
Adjustments to income (see instructions)	1 a		Your IRA deduction.....	1 a	00
	b		Spouse's IRA deduction.....	1 b	00
	2		Payments to a Keogh retirement plan and self-employment SEP deduction.....	2	00
	3		Penalty on early withdrawal of savings.....	3	6 00
	4		Alimony paid. Recipient's last name..... SSN..... Address.....	4	00
	5		Adoption expenses.....	5	00
	6		Moving Expenses (alt Federal Form 3903) to City..... State..... ZIP.....	6	00
		7	Self-employed health insurance deduction.....	7	4,001 00
		8	Total adjustments. Add lines 1 through 7. Enter here and also on page 1, line 10.....	8	4,007 00

<b>PART II</b>		1 a	Dependents: (1) First name..... Last name.....	(2) Dependent's social security number.....	(3) Dependent's relationship to you.....	(4) Did you provide more than one-half dependent's support? Yes
Dependents	Do not include yourself or your spouse (see instructions)					
	b Total number of dependents claimed above..... 1					
		2	Amount allowed. (Multiply \$300 by the total number of dependents claimed on line 1b.) Enter amount here and on page 1, line 15.....			
		2	300 00			

<b>PART IV</b>		1	Residency <input checked="" type="checkbox"/> Full Year If you were a part-year resident of AL during 2004, indicate your period of residence: Check only one box <input type="checkbox"/> Part Year From..... 2004 through..... 2004. Total months.....
General Information	2		Did you file an Alabama income tax return for the year 2003?... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	3		If no, state reason.....
All Taxpayers Must Complete This Section	4		Give name and address of present employer(s): Yours..... Flowers Baking Co of Opelika LLC Your spouse's.....
	5		Enter the as reported on your 2004 federal individual income tax return. 1 Federal Taxable Income \$ 67,954.
	6		Do you have income which is reported on your federal return, but not reported on your AL return (other than your state tax refund)?... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, enter source(s) and amount(s) below: (other than state income tax refund) Source..... Amount..... 00 Source..... Amount..... 00

<b>PART V</b>		For Direct Deposit of your refund, complete 1, 2, and 3 below. (See instructions)	
Direct Deposit	1	Routing Number:.....	2 Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
	3	Account Number:.....	
Sign Here	<input checked="" type="checkbox"/> I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer. Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Your signature..... Date..... Daytime telephone number..... Your occupation..... Distributor		
Keep a copy of this return for your records.	Spouse's Signature (if joint return, BOTH must sign)..... Date..... Daytime telephone number..... Spouse's occupation..... Executive Assistant		
	Preparer's signature..... Date..... Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN.....		
Paid Preparer's Use Only	Firm's name (or yours if self-employed and address)..... Frank V. Jones, CPA		
	EIN..... ZIP Code 36801		

If an addressed envelope came with your return, please use it and follow the instructions on the envelope. If you do not have one, mail your return to one of the addresses below.

If you are not making a payment, mail your return to:

Alabama Department of Revenue  
P.O. Box 154  
Montgomery, Alabama 36133-0001

If you are making a payment, mail your return, Form 40V, and payment to:

Alabama Department of Revenue  
P.O. Box 2401  
Montgomery, Alabama 36140-0001

Mail only your 2004 Form 40 to one of the above addresses. Prior year returns, amended returns, and all other correspondence should be mailed to Alabama Department of Revenue, P.O. Box 327464, Montgomery, AL 36132-7464.

ALJAD112L 12/14/04

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WHERE TO FILE FORM 40

FBO007148



Mail your Form 40V to the following address:  
 Alabama Department of Revenue  
 P. O. Box 2401  
 Montgomery, AL 36140-0001

----- DETACH ALONG THIS LINE AND MAIL VOUCHER WITH YOUR FULL PAYMENT -----

FORM  
40V

ALABAMA DEPARTMENT OF REVENUE

Individual Income Tax Payment Voucher 2004

DO NOT STAPLE TO YOUR RETURN  
 Tax Type: II  
 Tax Period: 12-31-2004  
 Primary Taxpayer SSN: 4  
 Tax Form (mark only one): ☒ 40 ☐ 40A ☐ 40NR ☐ E40  
 Amount Due: \$ 1,932.

PRIMARY TAXPAYER'S FIRST NAME  
 Lew E

SPOUSE'S FIRST NAME  
 Susan R

LAST NAME  
 Baxter

STATE ZIP

DAYTIME TELEPHONE NUMBER

Deatsville, AL 36022

ALIA1501L 10/11/04

To Pay by Credit Card  
 Call 1-800-2PAYTAX  
 (272-9829)  
 or visit [www.officialpayments.com](http://www.officialpayments.com)

4086042286915001010412310400001932000000000004032666588843

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FBO007149

**SCHEDULES  
A, B, & CR  
(FORM 40)**
**ALABAMA DEPARTMENT OF REVENUE  
Schedule A — Itemized Deductions  
(Schedules B and CR are on page 2)  
ATTACH TO FORM 40 — SEE INSTRUCTIONS FOR SCHEDULE A**
**2004**

Name(s) as shown on Form 40

**Lew E and Susan R Baxter**

The itemized deductions you may claim for the year 2004 are similar to the itemized deductions claimed on your Federal return, however, the amounts may differ. Please see instructions before completing this schedule. **PART-YEAR RESIDENTS:** A resident of Alabama for only a part of the year should list below only those deductions actually paid while a resident of Alabama.

CAUTION: Do not include expenses reimbursed or paid by others.					
Medical and Dental Expenses (See instructions)	1	Medical and dental expenses	1	00	
	2	Enter amount from Form 40, line 11	2	00	
	3	Multiply the amount on line 2 by 4% (.04). Enter the result	3	00	
	4	Subtract line 3 from line 1. Enter the result. If zero or less, enter -0-	4	0 00	
Taxes You Paid (See instructions)	5	Real estate taxes	5	362 00	
	6	FICA Tax (Social Security & Medicare) and Federal Self-Employment Tax	6	7,560 00	
	7	Railroad Retirement (Tier 1 only)	7	00	
	8	Other taxes. (List — include personal property taxes.)	8	00	
	9	Add the amounts on lines 5 through 8. Enter the total here	9	7,922 00	
Interest You Paid (See instructions)	10a	Home mortgage interest & points reported to you on Federal Form 1098	10a	10,899 00	
	b	Home mortgage int not reported to you on Fed Form 1098. (If paid to an individual, show that person's name & addr.)			
	10b		10b	00	
	11	Points not reported to you on Form 1098	11	00	
NOTE: Personal interest is not deductible.	12	Investment interest (Attach Form 4952A)	12	00	
	13	Add the amounts on lines 10a through 12. Enter the total here	13	10,899 00	
Gifts to Charity (See instructions)	14	Contributions by cash or check	14	1,416 00	
	15	Other than cash or check. (You MUST attach Form 8283 if over \$500.)	15	360 00	
	16	Carryover from prior year	16	00	
	17	Add the amounts on lines 14 through 16. Enter the total here	17	1,776 00	
Casualty and Theft Loss (Attach Form 4684)	18a	Enter the amount from Federal Form 4684, line 16 (See instructions)	18a	00	
	18b	Enter 10% of your adjusted gross income (Form 40, line 11)	18b	00	
	18c	Subtract line 18b from line 18a. If zero or less, enter -0-	18c	0 00	
Job Expenses and Most Other Miscellaneous Deductions (See instructions)	19	Unreimbursed employee expenses — job travel, union dues, job education, etc (You MUST attach Federal Form 2106 if required. See instructions.)	19	00	
	20	Other expenses (Investment, tax preparation, safe deposit box, etc). List type and amount	20	00	
	21	Add the amounts on lines 19 and 20. Enter the total	21	00	
	22	Multiply the amount on Form 40, line 11 by 2% (.02). Enter the result here	22	00	
	23	Subtract line 22 from line 21. Enter the result. If zero or less, enter -0-	23	0 00	
Other Miscellaneous Deductions	24	Other (from list in instructions). List type and amount	24	0 00	
Qualified Long-Term Care Ins Premiums	25	Enter amount here	25	0 00	
Total Itemized Deductions	26	Add the amounts on lines 4, 9, 13, 17, 18c, 23, 24, and 25. Enter the total here. Then enter on Form 40, page 1, line 12	26	20,597 00	

 Schedule A (Form 40) 2004  
AL30

ALIA0201L 11/10/04

FBO007150



FORM  
2210ALALABAMA DEPARTMENT OF REVENUE  
**Estimated Tax Penalties for Individuals**  
SEE SEPARATE INSTRUCTIONS • ATTACH TO FORM 40 OR FORM 40NR

2004

Name(s) as shown on tax return

Lew E and Susan R Baxter

If all of the following apply, complete Part I only. If A, B and C apply, but D does not, skip Part I and complete Part II. Under no circumstances will you be subject to both penalties.

- A You had income other than wages or salaries in excess of \$3,750.00 for taxpayers filing joint returns, or \$1,875.00 for single taxpayers (including head of family or married filing separately);
- B The amount of tax you owe (line 27 of Form 40 or line 26 of Form 40NR) without regard to any payments made with extension exceeds \$100.00; and
- C You did not pay in through withholding or estimated tax payments either 100% of your previous year's tax liability or 90% of your current year's tax liability; and
- D You did not make any quarterly estimated tax payments for 2004.

**PART I Estimated Tax Penalty**

1 Enter your 2004 net tax due after credits (line 20a of Form 40 or line 21 of Form 40NR) .....	1	2,748	00
2 Enter the net tax due as shown on your 2003 return (line 20a of Form 40 or line 21 of Form 40NR) .....	2	3,183	00
3 Enter all Alabama income tax withheld for 2004. If line 3 is greater than or equal to line 2, STOP, you do not owe the penalty. ....	3	992	00
4 Total underpayment for the year. Subtract line 3 from line 1. If zero or less, stop here, you do not owe this penalty. ....	4	1,756	00
5 If the amount on line 4 is less than \$500.00, enter \$500.00, if not, multiply the amount on line 4 by 10% (.10) and enter the result here and on line 28 of Form 40 or line 27 of Form 40NR. This is your estimated tax penalty. ....	5	176	00

**PART II Underpayment Penalty**

Section A — Required Annual Payment. Complete this section if you made estimated tax payments for 2004 and the tax due on your 2004 return exceeded \$100.00.

1 Enter your 2004 net tax due after credits from line 20a of Form 40 or line 21 of Form 40NR .....	1		00
2 Multiply line 1 by 90% (.90) .....	2		00
3 Enter the net tax due as shown on your 2003 return (line 20a of Form 40 or line 21 of Form 40NR) .....	3		00
4 Alabama Income Tax Withheld for 2004. Do not include any estimated tax payments on this line. ....	4	00	
5 Estimated taxes paid for 2004. ....	5	00	
6 Add lines 4 and 5. Enter result here. ....	6	00	
If line 6 is greater than or equal to lines 2 or 3, STOP HERE, you do not owe this penalty. DO NOT FILE Form 2210AL.			
7 Subtract line 4 from line 1. This is your Required Annual Payment. If less than \$100.00, stop here; do not complete or file this form. You do not owe the penalty. ....	7		00

Section B — Short Method. If your income varied during the year, you may want to calculate this penalty using the Quarterly Method on page 2 of this form.

8 Required Annual Payment for 2004 (from line 7, Part II above) .....	8		00
9 Estimated taxes paid for 2004 (from line 5, Part II above) .....	9		00
10 Total underpayment for year. Subtract line 9 from line 8. If zero or less, stop here; you do not owe the penalty. ....	10		00
11 Multiply line 10 by .06 .....	11		00
12 • If the amount on line 10 was paid on or after 4/15/05, enter -0-.			
• If the amount on line 10 was paid before 4/15/05, make the following computation to find the amount to enter on line 12.			
Amount on line 10 X Number of days paid before 4/15/05 X .00016 .....	12		00
13 Penalty. Subtract line 12 from line 11. Enter the result here and on line 28 of Form 40 or line 27 of Form 40NR. ....	13		00

ALJ9612L 10/15/04

AL90 Form 2210AL (2004)

FBO007152

**SCHEDULE C**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service**Profit or Loss From Business**  
**(Sole Proprietorship)**

Revised for Alabama

Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.  
Attach to Form 1040 or 1041. See instructions for Schedule C (Form 1040).

OMB No. 1545-0074

**2004**  
**09**

Name of proprietor

Lew E Baxter

A Principal business or profession, including product or service (see instructions)

Distributor

B Enter code from instructions

424990

C Business name, if no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.)  
City, town or post office, state, and ZIP codeF Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) \_\_\_\_\_G Did you 'materially participate' in the operation of this business during 2004? If 'No,' see instructions for limit on losses. ... ☒ Yes ☐ No

H If you started or acquired this business during 2004, check here \_\_\_\_\_

**Part I Income**

1 Gross receipts or sales. Caution: If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. .... <input checked="" type="checkbox"/>	1	80,974.
2 Returns and allowances .....	2	
3 Subtract line 2 from line 1. ....	3	80,974.
4 Cost of goods sold (from line 42 on page 2). ....	4	
5 Gross profit. Subtract line 4 from line 3. ....	5	80,974.
6 Other income, including Federal and state gasoline or fuel tax credit or refund. ....	6	
7 Gross income. Add lines 5 and 6. ....	7	80,974.

**Part II Expenses. Enter expenses for business use of your home only on line 30.**

8 Advertising. ....	8	167.	19 Pension and profit-sharing plans. ....	19	
9 Car and truck expenses (see instructions) .....	9	5,707.	20 Rent or lease (see instructions):	20a	
10 Commissions and fees .....	10		a Vehicles, machinery, and equipment. ....	20b	
11 Contract labor (see instructions) .....	11		b Other business property. ....	21	490.
12 Depletion .....	12		22 Supplies (not included in Part III) .....	22	321.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions) .....	13		23 Taxes and licenses. ....	23	
14 Employee benefit programs (other than on line 19) .....	14		24 Travel, meals, and entertainment:	24a	
15 Insurance (other than health) ..	15	1,753.	a Travel .....	28.	
16 Interest:	16a	4,648.	b Meals and entertainment ...	14.	
a Mortgage (paid to banks, etc.) .....	16b		c Enter nondeductible amount included on line 24b (see instrs) ..	24d	14.
b Other .....	17		d Subtract line 24c from line 24b. ....	25	
17 Legal & professional services ..	18	37.	25 Utilities. ....	26	
18 Office expense .....	26		26 Wages (less employment credits) .....	27	20,531.
27 Other expenses (from line 48 on page 2) .....	27		27 Other expenses (from line 48 on page 2) .....	28	33,668.
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns. ....	28			29	47,306.
29 Tentative profit (loss). Subtract line 28 from line 7. ....	29			30	
30 Expenses for business use of your home. Attach Form 8829. ....	30			31	47,306.
31 Net profit or (loss). Subtract line 30 from line 29.	31				

• If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

32a ☐ All investment is at risk.

• If you checked 32b, you must attach Form 6198.

32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule C (Form 1040) 2004

FD-20112L 05/06/04

FBO007153

Schedule C (Form 1040) 2004 Lew E BaxterPage 2**Part III Cost of Goods Sold** (see instructions)33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?  
If 'Yes,' attach explanation.☐ Yes ☐ No35 Inventory at beginning of year. If different from last year's closing inventory,  
attach explanation.

35

36 Purchases less cost of items withdrawn for personal use.

36

37 Cost of labor. Do not include any amounts paid to yourself.

37

38 Materials and supplies.

38

39 Other costs.

39

40 Add lines 35 through 39.

40

41 Inventory at end of year.

41

42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.

42

**Part IV Information on Your Vehicle.** Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.43 When did you place your vehicle in service for business purposes? (month, day, year)                     

44 Of the total number of miles you drove your vehicle during 2004, enter the number of miles you used your vehicle for:

a Business                      b Commuting                      c Other                     45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No47a Do you have evidence to support your deduction? ☐ Yes ☐ Nob If 'Yes,' is the evidence written? ☐ Yes ☐ No**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

See Statement 1

48 Total other expenses. Enter here and on page 1, line 27.

48

20,531.

Schedule C (Form 1040) 2004

2004

## Alabama Statements

Page 1

Client 200316

Lew E and Susan R Baxter

3/22/08

04:26PM

**Statement 1 - Distributor  
Schedule C, Part V  
Other Expenses**

Administration.....	\$	490.
Amortization.....		2,857.
Casual Labor.....		5,540.
Equipment Rental.....		7,301.
Other Operating Expenses.....		950.
PBS Shrink Charge.....		427.
Relief Driver.....		444.
Telephone.....		808.
Uniforms.....		440.
Warehouse Rent/Utilities.....		1,274.
Total	\$	<u>20,531.</u>

FBO007155

**BAXTER**  
**DEFENDANT'S EXHIBIT**  
**32**



**2005 Individual Return**  
**prepared for:**  
**Lew E and Susan R Baxter**

**Frank V. Jones, CPA**

**DEFENDANT'S  
EXHIBIT**

*BAXTER 32*

**FBO007156**

**FRANK V. JONES, CPA**

March 22, 2008

Lew B and Susan R Baxter

Dear Lew & Susy,

Enclosed is your 2005 Federal Individual Income Tax Return. The original should be signed at the bottom of page two. Both spouses should sign. There is a balance due of \$4,552.

Make your check payable to the "United States Treasury" and mail your Federal return with Form 1040-V payment voucher on or before April 17, 2006 to:

INTERNAL REVENUE SERVICE  
P.O. BOX 105017  
ATLANTA, GA 30348-5017

Please be sure to call if you have any questions.

Sincerely,

Frank V. Jones

FBO007157

Department of the Treasury — Internal Revenue Service

**Form 1040 U.S. Individual Income Tax Return 2005** (99) IRS Use Only — Do not write or staple in this space.

For the year Jan 1 - Dec 31, 2005, or other tax year beginning 2005, ending 20 OMB No. 1545-0074

**Label** (See instructions.)  
Use the IRS label. Otherwise, please print or type.

Your first name MI Last name  
**Lew E Baxter**

If a joint return, spouse's first name MI Last name  
**Susan R Baxter**

P.O. box, see instructions. Apartment no.

City, town or post office, if you have a foreign address, see instructions. State ZIP code  
**Deatsville, AL 36022**

**Presidential Election Campaign** Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) ☐ You ☐ Spouse

**Filing Status**

1 ☐ Single 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above & full name here.

5 ☐ Qualifying widow(er) with dependent child (see instructions)

**Exemptions**

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☒ Spouse.

c Dependents:

(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) ☒ If qualifying child for child tax credit (see instrs)

If more than four dependents, see instructions.

d Total number of exemptions claimed 3

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 27,291.

8a Taxable interest. Attach Schedule B if required 8a

b Tax-exempt interest. Do not include on line 8a 8b

9a Ordinary dividends. Attach Schedule B if required 9a

b Qualified div (see instrs) 9b

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 10

11 Alimony received 11

12 Business income or (loss). Attach Schedule C or C-EZ 12 42,612.

13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. 13

14 Other gains or (losses). Attach Form 4797 14

15a IRA distributions 15a b Taxable amount (see instrs) 15b

16a Pensions and annuities 16a b Taxable amount (see instrs) 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17

18 Farm income or (loss). Attach Schedule F 18

19 Unemployment compensation 19

20a Social security benefits 20a b Taxable amount (see instrs) 20b

21 Other income **Huntingdon College** 21 950.

22 Add the amounts in the far right column for lines 7 through 21. This is your total income. 22 70,853.

**Adjusted Gross Income**

23 Educator expenses (see instructions) 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24

25 Health savings account deduction. Attach Form 8889 25

26 Moving expenses. Attach Form 3903 26

27 One-half of self-employment tax. Attach Schedule SE 27 67.

28 Self-employed SEP, SIMPLE, and qualified plans 28

29 Self-employed health insurance deduction (see instructions) 29 588.

30 Penalty on early withdrawal of savings 30

31a Alimony paid b Recipient's SSN 31a

32 IRA deduction (see instructions) 32

33 Student loan interest deduction (see instructions) 33

34 Tuition and fees deduction (see instructions) 34

35 Domestic production activities deduction. Attach Form 8593 35

36 Add lines 23 - 31a and 32 - 35 36 655.

37 Subtract line 36 from line 22. This is your adjusted gross income 37 70,198.

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see Instructions.

FDIA0112L 11/07/05

Form 1040 (2005)

FBO007158

Form 1040 (2005) <b>Lew E and Susan R Baxter</b>		Page <b>2</b>
<b>Tax and Credits</b>	38 Amount from line 37 (adjusted gross income).....	<b>38</b> <b>70,198.</b>
<b>Standard Deduction for —</b> • People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$5,000 Married filing jointly or Qualifying widow(er), \$10,000 Head of household, \$7,300	39a Check if: <input type="checkbox"/> You were born before January 2, 1941, <input type="checkbox"/> Blind. Total boxes <input type="checkbox"/> <input type="checkbox"/> Spouse was born before January 2, 1941, <input type="checkbox"/> Blind. checked <input type="checkbox"/> 39a	
	b If your spouse itemizes on a separate return, or you were a dual-status alien, see instructions and check here.....	39b <input type="checkbox"/>
	40 Itemized deductions (from Schedule A) or your standard deduction (see left margin).....	<b>40</b> <b>13,684.</b>
	41 Subtract line 40 from line 38.....	<b>41</b> <b>56,514.</b>
	42 If line 38 is over \$109,475, or you provided housing to a person displaced by Hurricane Katrina, see instructions. Otherwise, multiply \$3,200 by the total number of exemptions claimed on line 6d.....	<b>42</b> <b>9,600.</b>
	43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-.....	<b>43</b> <b>46,914.</b>
	44 Tax (see instrs). Check if any tax is from: a <input type="checkbox"/> Form(s) 9814 b <input type="checkbox"/> Form 4972.....	<b>44</b> <b>6,309.</b>
	45 Alternative minimum tax (see instructions). Attach Form 6251.....	<b>45</b> <b>0.</b>
	46 Add lines 44 and 45.....	<b>46</b> <b>6,309.</b>
	47 Foreign tax credit. Attach Form 1116 if required.....	<b>47</b>
48 Credit for child and dependent care expenses. Attach Form 2441.....	<b>48</b> <b>72.</b>	
49 Credit for the elderly or the disabled. Attach Schedule R.....	<b>49</b>	
50 Education credits. Attach Form 8863.....	<b>50</b>	
51 Retirement savings contributions credit. Attach Form 8880.....	<b>51</b>	
52 Child tax credit (see instructions). Attach Form 8801 if required.....	<b>52</b> <b>1,000.</b>	
53 Adoption credit. Attach Form 8839.....	<b>53</b>	
54 Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8859.....	<b>54</b>	
55 Other credits. Check applicable box(es): a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form.....	<b>55</b>	
56 Add lines 47 through 55. These are your total credits.....	<b>56</b> <b>1,072.</b>	
57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-.....	<b>57</b> <b>5,237.</b>	
<b>Other Taxes</b>	58 Self-employment tax. Attach Schedule SE.....	<b>58</b> <b>134.</b>
59 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137.....	<b>59</b>	
60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required.....	<b>60</b>	
61 Advance earned income credit payments from Form(s) W-2.....	<b>61</b>	
62 Household employment taxes. Attach Schedule H.....	<b>62</b>	
63 Add lines 57-62. This is your total tax.....	<b>63</b> <b>5,371.</b>	
<b>Payments</b>	64 Federal income tax withheld from Forms W-2 and 1099.....	<b>64</b> <b>990.</b>
If you have a qualifying child, attach Schedule EIC.	65 2005 estimated tax payments and amount applied from 2004 return.....	<b>65</b>
66a Earned income credit (EIC).....	<b>66a</b>	
b Non-taxable combat pay election.....	66b <input type="checkbox"/>	
67 Excess social security and tier 1 RRTA tax withheld (see instructions).....	<b>67</b>	
68 Additional child tax credit. Attach Form 8812.....	<b>68</b>	
69 Amount paid with request for extension to file (see instructions).....	<b>69</b>	
70 Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885.....	<b>70</b>	
71 Add lines 64, 65, 66a, and 67 through 70. These are your total payments.....	<b>71</b> <b>990.</b>	
<b>Refund</b>	72 If line 71 is more than line 63, subtract line 63 from line 71. This is the amount you overpaid.....	<b>72</b>
Direct deposit? See instructions and fill in 73b, 73c, and 73d.	73a Amount of line 72 you want refunded to you.....	<b>73a</b>
	b Routing number..... c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
	d Account number.....	
74 Amount of line 72 you want applied to your 2006 estimated tax.....	<b>74</b>	
<b>Amount You Owe</b>	75 Amount you owe. Subtract line 71 from line 63. For details on how to pay, see instructions.....	<b>75</b> <b>4,552.</b>
	76 Estimated tax penalty (see instructions).....	<b>76</b> <b>171.</b>
<b>Third Party Designee</b>	Do you want to allow another person to discuss this return with the IRS (see instructions)? <input checked="" type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No	
	Designee's name <b>Preparer</b> Phone <b>171.</b> Personal identification number (PIN).....	
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
Joint return? See instructions.	Your signature..... Date..... Your occupation <b>Distributor</b> Daytime phone number.....	
Keep a copy for your records.	Spouse's signature. If a joint return, both must sign..... Date..... Spouse's occupation <b>Executive Assistant</b>	
<b>Paid Preparer's Use Only</b>	Preparer's signature..... Date..... Check if self-employed <input checked="" type="checkbox"/>	
	Firm's name (or yours if self-employed), address, and ZIP code <b>Frank V. Jones, CPA</b> EIN.....	
	Phone no. <b>(334) 749-8306</b>	

Form **2210****Underpayment of  
Estimated Tax by Individuals, Estates, and Trusts**

OMB No. 1543-0140

**2005**Attachment  
Sequence No. 06Department of the Treasury  
Internal Revenue Service▶ See separate instructions.  
▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

Name(s) shown on tax return

**Lew E and Susan R Baxter****Do You Have To File Form 2210?**

Complete lines 1 through 7 below. Is line 7 less than \$1,000?	Yes	Do not file Form 2210. You do not owe a penalty.
No		
Complete lines 8 and 9 below. Is line 6 equal to or more than line 9?	Yes	You do not owe a penalty. Do not file Form 2210 (but if box E below applies, you must file page 1 of Form 2210 below).
No		
You may owe a penalty. Does any box in Part II below apply?	Yes	You must file Form 2210. Does box B, C, or D apply?
No		
	No	You must figure your penalty.
	Yes	
Do not file Form 2210. You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but do not file Form 2210.		You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but file only page 1 of Form 2210.

**Part I Required Annual Payment (see instructions)**

1 Enter your 2005 tax after credits from Form 1040, line 57 (or comparable line of your return).....	1	5,237.
2 Other taxes, including self-employment tax (see instructions).....	2	134.
3 Refundable credits. Enter the total of your earned income credit, additional child tax credit, credit for federal tax paid on fuels, and health coverage tax credit for eligible individuals.....	3	0.
4 Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, see instructions.....	4	5,371.
5 Multiply line 4 by 90% (.90).....	5	4,834.
6 Withholding taxes. Do not include estimated tax payments. See instructions.....	6	990.
7 Subtract line 6 from line 4. If less than \$1,000, you do not owe a penalty; do not file Form 2210.....	7	4,381.
8 Maximum required annual payment based on prior year's tax (see instructions).....	8	11,056.
9 Required annual payment. Enter the smaller of line 5 or line 8.....	9	4,834.

Next: Is line 9 more than line 6?

☐ No. You do not owe a penalty. Do not file Form 2210 unless box E below applies.☒ Yes. You may owe a penalty, but do not file Form 2210 unless one or more boxes in Part II below applies.

• If box B, C, or D applies, you must figure your penalty and file Form 2210.

• If only box A or E (or both) applies, file only page 1 of Form 2210. You are not required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but file only page 1 of Form 2210.

**Part II Reasons for Filing. Check applicable boxes. If none apply, do not file Form 2210.**

- A ☐ You request a **waiver** (see instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B ☐ You request a **waiver** (see instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C ☐ Your income varied during the year and your penalty is reduced or eliminated when figured using the **annualized income installment method**. You must figure the penalty using **Schedule AI** and file Form 2210.
- D ☐ Your penalty is lower when figured by treating the federal **income tax withheld** from your wages as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- E ☐ You filed or are filing a joint return for either 2004 or 2005, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are not required to figure your penalty (unless box B, C, or D applies).

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 2210 (2005)

Form 2210 (2005) **Lew E and Susan R Baxter**

Page 2

**Part III Short Method**

You may use the short method if:

- You made no estimated tax payments (or your only payments were withheld federal income tax), or
- You paid estimated tax in equal amounts on your due dates.

**TIP:** You do not need to file Form 2210 unless you checked a box in Part II on page 1.

You must use the regular method (Part IV) instead of the short method if:

- You made any estimated tax payments late,
- You checked box C or D in Part II, or
- You are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding.

**Note:** If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.

10	Enter the amount from Form 2210, line 9.....	10	4,834.
11	Enter the amount, if any, from Form 2210, line 6.....	11	990.
12	Enter the total amount, if any, of estimated tax payments you made.....	12	
13	Add lines 11 and 12.....	13	990.
14	Total underpayment for year. Subtract line 13 from line 10. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box E on page 1.....	14	3,844.
15	Multiply line 14 by .04457 (use the factor shown in the instructions if you are eligible for hurricane relief).....	15	171.
16	<p>• If the amount on line 14 was paid on or after 4/15/06, enter -0-.</p> <p>• If the amount on line 14 was paid before 4/15/06, make the following computation to find the amount to enter on line 16.</p> <p>Amount on line 14      x      Number of days paid before 4/15/06      x      .00019.....</p>	16	0.
17	Penalty. Subtract line 16 from line 15. Enter the result here and on Form 1040, line 76; Form 1040A, line 48; Form 1040NR, line 74; Form 1040NR-EZ, line 26; or Form 1041, line 26.....	17	171.

Form 2210 (2005)



**SCHEDULE A**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Itemized Deductions**▶ Attach to Form 1040.  
▶ See Instructions for Schedule A (Form 1040).

OMB No. 1545-0074

**2005**Attachment  
Sequence No. 07

Name(s) shown on Form 1040

Lew E and Susan R Baxter

<b>Medical and Dental Expenses</b>		Caution: Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions)	1			
2	Enter amount from Form 1040, line 38	2			
3	Multiply line 2 by 7.5% (.075)	3			
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4			0.
<b>Taxes You Paid</b>		5 State and local (check only one box):		5	2,600.
(See instructions.)		a <input checked="" type="checkbox"/> Income taxes, or			
		b <input type="checkbox"/> General sales taxes (see instructions)			
6	Real estate taxes (see instructions)	6		424.	
7	Personal property taxes	7			
8	Other taxes. List type and amount ▶	8			
9	Add lines 5 through 8	9			3,024.
<b>Interest You Paid</b>		10 Home mtg interest and points reported to you on Form 1098. See, St. 1		10	9,553.
(See instructions.)		11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶		11	
		12 Points not reported to you on Form 1098. See instrs for spec rules		12	
<b>Note.</b> Personal interest is not deductible.		13 Investment interest. Attach Form 4952 if required. (See instrs.)		13	
		14 Add lines 10 through 13		14	9,553.
<b>Gifts to Charity</b>		15a Total gifts by cash or check. If you made any gift of \$250 or more, see instrs. See, Statement 2		15a	607.
If you made a gift and got a benefit for it, see instructions.		b Gifts by cash or check after August 27, 2005, that you elect to treat as qualified contributions (see instructions)		15b	
		16 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500. See, Statement 3		16	500.
		17 Carryover from prior year		17	
		18 Add lines 15a, 16, & 17		18	1,107.
<b>Casualty and Theft Losses</b>		19 Casualty or theft loss(es). Attach Form 4684. (See instructions.)		19	0.
<b>Job Expenses and Certain Miscellaneous Deductions</b>		20 Unreimbursed employee expenses – job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶		20	
(See instructions.)		21 Tax preparation fees		21	
		22 Other expenses – investment, safe deposit box, etc. List type and amount ▶		22	
		23 Add lines 20 through 22		23	
		24 Enter amount from Form 1040, line 38		24	
		25 Multiply line 24 by 2% (.02)		25	
		26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-		26	0.
<b>Other Miscellaneous Deductions</b>		27 Other – from list in the instructions. List type and amount ▶		27	0.
<b>Total Itemized Deductions</b>		28 Is Form 1040, line 38, over \$145,950 (over \$72,975 if MFS)?		28	13,684.
		<input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40.			
		<input type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.			
29 If you elect to itemize deductions even though they are less than your standard deduction, check here ▶					

Schedule B (Form 1040) 2005

OMB No. 1545-0074

Page 2

Name(s) shown on Form 1040.

**Lew E and Susan R Baxter****Schedule B – Interest and Ordinary Dividends**Attachment  
Sequence No. **08****Part I  
Interest**

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address.

(See instructions  
for Form 1040,  
line 8a.)

Note. If you received a Form 1099-BIT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

Amount

- 2 Add the amounts on line 1.
- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.
- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a.

Note. If line 4 is over \$1,500, you must complete Part III.

**Part II  
Ordinary  
Dividends**(See  
instructions for  
Form 1040,  
line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- 5 List name of payer.

- 6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a.

Note. If line 6 is over \$1,500, you must complete Part III.

**Part III  
Foreign  
Accounts  
and  
Trusts**(See  
instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

- 7a At any time during 2005, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1

b If 'Yes,' enter the name of the foreign country.

- 8 During 2005, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions.

Yes No

X	
X	

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

FDIA0101L 07/23/05

Schedule B (Form 1040) 2005

FBO007163



**SCHEDULE C**  
**(Form 1040)****Profit or Loss From Business**  
**(Sole Proprietorship)**

OMB No. 1545-0074

**2005**Attachment  
Sequence No. 09Department of the Treasury  
Internal Revenue Service (99)Partnerships, joint ventures, etc. must file Form 1065 or 1065-B.  
Attach to Form 1040 or 1041. See instructions for Schedule C (Form 1040).

Name of proprietor

Lew E Baxter

A Principal business or profession, including product or service (see instructions)

Distributor

B Enter code from instructions

424990

C Business name, if no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.)  
City, town or post office, state, and ZIP codeF Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) \_\_\_\_\_G Did you 'materially participate' in the operation of this business during 2005? If 'No,' see instructions for limit on losses. ... ☒ Yes ☐ No

H If you started or acquired this business during 2005, check here \_\_\_\_\_

**Part I Income**

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. .... <input checked="" type="checkbox"/>	1	93,289.
2 Returns and allowances .....	2	
3 Subtract line 2 from line 1 .....	3	93,289.
4 Cost of goods sold (from line 42 on page 2) .....	4	
5 Gross profit. Subtract line 4 from line 3 .....	5	93,289.
6 Other income, including Federal and state gasoline or fuel tax credit or refund .....	6	
7 Gross income. Add lines 5 and 6 .....	7	93,289.

**Part II Expenses.** Enter expenses for business use of your home only on line 30.

8 Advertising .....	8		18 Office expense .....	18	79.
9 Car and truck expenses (see instructions) .....	9	7,648.	19 Pension and profit-sharing plans .....	19	
10 Commissions and fees .....	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions) .....	11		a Vehicles, machinery, and equipment .....	20a	
12 Depreciation .....	12		b Other business property .....	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions) .....	13	6,734.	21 Repairs and maintenance .....	21	2,410.
14 Employee benefit programs (other than on line 19) .....	14		22 Supplies (not included in Part III) .....	22	786.
15 Insurance (other than health) .....	15	3,612.	23 Taxes and licenses .....	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.) .....	16a	4,628.	a Travel .....	24a	
b Other .....	16b		b Deductible meals and entertainment .....	24b	815.
17 Legal & professional services .....	17		25 Utilities .....	25	
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns. ....	28		26 Wages (less employment credits) .....	26	
29 Tentative profit (loss). Subtract line 28 from line 7 .....	29		27 Other expenses (from line 48 on page 2) .....	27	23,965.
30 Expenses for business use of your home. Attach Form 8829. ....	30				
31 Net profit or (loss). Subtract line 30 from line 29.	31				

• If a profit, enter on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on Form 1040, line 12, and also on Schedule SE, line 2 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☐ All investment is at risk.32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2005

FD120112L 11/14/05

FBO007164

Schedule C (Form 1040) 2005 **Lew E Baxter**Page **2****Part II** **Cost of Goods Sold** (see instructions)**33** Method(s) used to value closing inventory: **a** ☐ Cost **b** ☐ Lower of cost or market **c** ☐ Other (attach explanation)**34** Was there any change in determining quantities, costs, or valuations between opening and closing inventory?  
If 'Yes,' attach explanation. ☐ Yes ☐ No**35** Inventory at beginning of year. If different from last year's closing inventory, attach explanation **35****36** Purchases less cost of items withdrawn for personal use **36****37** Cost of labor. Do not include any amounts paid to yourself **37****38** Materials and supplies **38****39** Other costs **39****40** Add lines 35 through 39 **40****41** Inventory at end of year **41****42** Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4. **42****Part III** **Information on Your Vehicle.** Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.**43** When did you place your vehicle in service for business purposes? (month, day, year) ▶ \_\_\_\_\_**44** Of the total number of miles you drove your vehicle during 2005, enter the number of miles you used your vehicle for:  
**a** Business \_\_\_\_\_ **b** Commuting \_\_\_\_\_ **c** Other \_\_\_\_\_**45** Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No**46** Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No**47a** Do you have evidence to support your deduction? ☐ Yes ☐ No**b** If 'Yes,' is the evidence written? ☐ Yes ☐ No**Part IV** **Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

See Statement 4

**48** Total other expenses. Enter here and on page 1, line 27. **48** **23,965.**

Schedule C (Form 1040) 2005

**SCHEDULE SE**  
**(Form 1040)****Self-Employment Tax**

OMB No. 1545-0074

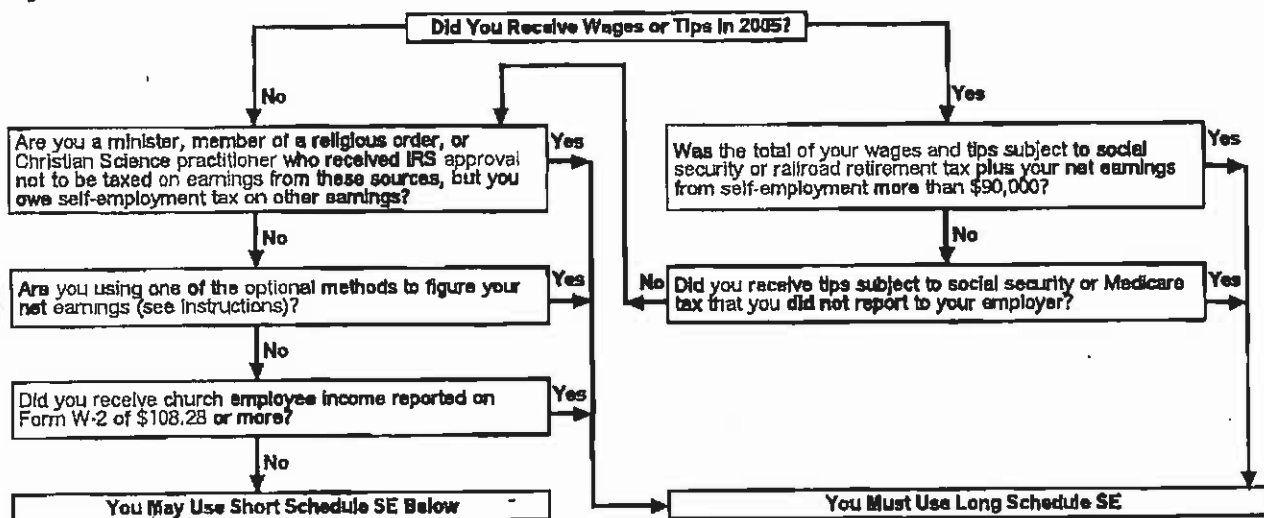
**2005**Attachment  
Sequence No. **17**Department of the Treasury  
Internal Revenue Service (99)▶ **Attach to Form 1040. ▶ See instructions for Schedule SE (Form 1040).**

Name of person with self-employment income (as shown on Form 1040)

**Lew E Baxter**Social security number of person  
with self-employment income ▶**Who Must File Schedule SE**

You must file Schedule SE if:

- You had net earnings from self-employment from other than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, or
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is not church employee income (see instructions).

**Note.** Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either 'optional method' in Part II of Long Schedule SE (see instructions).**Exception.** If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, do not file Schedule SE. Instead, write 'Exempt - Form 4361' on Form 1040, line 58.**May I Use Short Schedule SE or Must I Use Long Schedule SE?****Section A - Short Schedule SE.** Caution. Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1	
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9. Ministers and members of religious orders, see instructions for amounts to report on this line. See instructions for other income to report	2	950.
3	Combine lines 1 and 2	3	950.
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax.	4	877.
5	Self-employment tax. If the amount on line 4 is: • \$90,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 58. • More than \$90,000, multiply line 4 by 2.9% (.029). Then, add \$11,160.00 to the result. Enter the total here and on Form 1040, line 58.	5	134.
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	6	67.

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 2005

Form **2441****Child and Dependent Care Expenses**

OMB No. 1545-0074

**2005**Attachment  
Sequence No. **21**Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040.

▶ See separate instructions.

Name(s) shown on Form 1040

**Lew E. and Susan R. Baxter****Before you begin:** You need to understand the following terms. See Definitions in the instructions.  
• Dependent Care Benefits • Qualifying Person(s) • Qualified Expenses**Part I** **Persons or Organizations Who Provided the Care** — You must complete this part.  
(If you need more space, use the bottom of page 2.)

1	(a) Care provider's name	(b) Address (no., street, apt no., city, state, and ZIP code)	(c) Identifying no. (SSN or EIN)	(d) Amount paid (see instructions)
		<b>1</b>		<b>360.</b>

Did you receive  
dependent care benefits?

No

Yes

Complete only Part II below.

Complete Part III on page 2 next.

**Caution.** If the care was provided in your home, you may owe employment taxes. See the instructions for Form 1040, line 62.**Part II** **Credit for Child and Dependent Care Expenses****2** Information about your qualifying person(s). If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name	(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2005 for the person listed in column (a)
First Last		<b>360.</b>

<b>3</b> Add the amounts in column (c) of line 2. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 32.	<b>3</b>	<b>360.</b>
<b>4</b> Enter your earned income. See instructions.	<b>4</b>	<b>94,172.</b>
<b>5</b> If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); all others, enter the amount from line 4.	<b>5</b>	<b>27,291.</b>
<b>6</b> Enter the smallest of line 3, 4, or 5.	<b>6</b>	<b>360.</b>

**7** Enter the amount from Form 1040, line 38. **7** **70,198.****8** Enter on line 8 the decimal amount shown below that applies to the amount on line 7

If line 7 is:

Over	But not over	Decimal amount is
\$0—15,000		.35
15,000—17,000		.34
17,000—19,000		.33
19,000—21,000		.32
21,000—23,000		.31
23,000—25,000		.30
25,000—27,000		.29
27,000—29,000		.28

If line 7 is:

Over	But not over	Decimal amount is
\$29,000—31,000		.27
31,000—33,000		.26
33,000—35,000		.25
35,000—37,000		.24
37,000—39,000		.23
39,000—41,000		.22
41,000—43,000		.21
43,000—No limit		.20

**8** **X** **.20**

<b>9</b> Multiply line 6 by the decimal amount on line 8. If you paid 2004 expenses in 2005, see the instructions.	<b>9</b>	<b>72.</b>
<b>10</b> Enter the amount from Form 1040, line 46, minus any amount on Form 1040, line 47.	<b>10</b>	<b>6,309.</b>
<b>11</b> Credit for child and dependent care expenses. Enter the smaller of line 9 or line 10 here and on Form 1040, line 48.	<b>11</b>	<b>72.</b>

**BAA** For Paperwork Reduction Act Notice, see separate instructions.

Form 2441 (2005)

Form **4562**

(Rev. January 2006)

Department of the Treasury  
Internal Revenue Service**Depreciation and Amortization**  
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

**2005**Attachment  
Sequence No. 67

Name(s) shown on return

**Lew E and Susan R Baxter**

Business or activity to which this form relates

**Schedule C - Lew E Baxter****Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses.	1	\$105,000.
2	Total cost of section 179 property placed in service (see instructions).	2	6,734.
3	Threshold cost of section 179 property before reduction in limitation.	3	\$420,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.	4	0.
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	105,000.
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	5-Year Trailer	6,734.	6,734.
7	Listed property. Enter the amount from line 29.	7	0.
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	6,734.
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	6,734.
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562.	10	0.
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs.).	11	76,637.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	6,734.
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12.	13	0.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property (other than listed property) placed in service during the tax year (see instrs.).	14	
15	Property subject to section 168(f)(1) election.	15	
16	Other depreciation (including ACRS).	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)****Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2005.	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here.		

**Section B - Assets Placed in Service During 2005 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

**Section C - Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System**

20a Class life				S/L	
b 12-year		12 yrs		S/L	
c 40-year		40 yrs	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	6,734.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FD-20612L 12/29/05

Form 4562 (2005) (Rev 1-2006)

FBO007168



Form 4562 (2005) (Rev 1-2006) Lew E and Susan R Baxter

iga 2

**Part IV Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A – Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? .....					Yes	No	24b If "Yes," is the evidence written? .....					Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost					
25 Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) .....						25							
26 Property used more than 50% in a qualified business use:													
27 Property used 50% or less in a qualified business use:													
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 .....							28						
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 .....							29						

**Section B – Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles) .....						
31 Total commuting miles driven during the year .....						
32 Total other personal (noncommuting) miles driven .....						
33 Total miles driven during the year. Add lines 30 through 32 .....						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours? .....						
35 Was the vehicle used primarily by a more than 5% owner or related person? .....						
36 Is another vehicle available for personal use? .....						

**Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? .....		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners. ....		
39 Do you treat all use of vehicles by employees as personal use? .....		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? .....		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions) .....		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2005 tax year (see instructions):					
43 Amortization of costs that began before your 2005 tax year .....				43	2,857.
44 Total. Add amounts in column (f). See instructions for where to report .....				44	2,857.

FD-20112, 12/28/03

Form 4562 (2005) (Rev 1-2006)

FBO007169

2005

## Federal Statements

Page 1

Lew E and Susan R Baxter

**Statement 1**  
**Schedule A, Line 10**  
**Home Mortgage Interest Reported on Form 1098**

..... Total \$ 9,553.  
..... Total \$ 9,553.

**Statement 2**  
**Schedule A, Line 15a**  
**Contributions by Cash or Check**

Auburn University..... \$ 10.  
East Memorial Baptist Church..... 597.  
..... Total \$ 607.

**Statement 3**  
**Schedule A, Line 16**  
**Contributions Other than Cash**

Goodwill..... \$ 250.  
Salvation Army..... 250.  
..... Total \$ 500.

**Statement 4 - Distributor**  
**Schedule C, Part V**  
**Other Expenses**

Administration..... \$ 520.  
Amortization..... 2,857.  
Casual Labor..... 7,075.  
Equipment Rental..... 8,112.  
Other Operating Expenses..... 768.  
Personal Auto Use..... 21.  
Relief Driver..... 795.  
Telephone..... 1,578.  
Uniforms..... 887.  
Warehouse Rent/Utilities..... 1,352.  
..... Total \$ 23,965.

FBO007170

**2006 TAX RETURN**

**Preparer Review Copy**

**Client:** 200316

**Prepared for:** Lew E and Susan R Baxter

**Prepared by:** Frank V. Jones, CPA  
Frank V. Jones, CPA

**Date:** March 22, 2008

**Comments:**

**Route to:** \_\_\_\_\_

FDL2001L 05/04/06

**FBO007171**



CLIENT 200316

FRANK V. JONES, CPA

March 22, 2008

Lew E and Susan R Baxter

Dear Lew & Susy,

Enclosed is your 2006 Alabama Individual Income Tax Return. The original should be signed at the bottom of page two. Both spouses should sign. There is a balance due of \$1,772.

Make your check payable to the "Alabama Department of Revenue" and mail your Alabama return with Form 40V payment voucher on or before October 15, 2007 to:

ALABAMA DEPARTMENT OF REVENUE  
P.O. BOX 2401  
MONTGOMERY, AL 36140-0001

Please be sure to call if you have any questions.

Sincerely,

Frank V. Jones, CPA

FBO007172

Form **1040** Department of the Treasury — Internal Revenue Service **U.S. Individual Income Tax Return 2006** (99) IRS Use Only — Do not write or staple in this space.

For the year Jan 1 - Dec 31, 2006, or other tax year beginning 2006, ending 20, OMB No. 1545-0074

**Label** (See instructions.) Your first name MI Last name **Lew E Baxter** Your social security number

**Use the IRS label.** Otherwise, please print or type. If a joint return, spouse's first name MI Last name **Susan R Baxter**

If you have a P.O. box, see instructions. Apartment no.

Address, see instructions. State ZIP code **Deatsville, AL 36022**

**Presidential Election Campaign** Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) ☐ You ☐ Spouse

**Filing Status**

1 ☐ Single 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here

2 ☒ Married (filing jointly (even if only one had income)) 5 ☐ Qualifying widow(er) with dependent child (see instructions)

3 ☐ Married filing separately. Enter spouse's SSN above & full name here

**Exemptions**

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a. **Boxes checked on 6a and 6b. 2**

b ☒ Spouse. **No. of children on 6c who:**

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see instrs)	(5) <input type="checkbox"/> If dependent who did not live with you due to divorce or separation (see instrs)
				<input checked="" type="checkbox"/>	

**Dependents on 6c who did not live with you due to divorce or separation (see instrs) 1**

If more than four dependents, see instructions. **Add numbers on lines above 3**

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2. **7 28,523.**

8a Taxable interest. Attach Schedule B if required. **8a**

b Tax-exempt interest. Do not include on line 8a. **8b**

9a Ordinary dividends. Attach Schedule B if required. **9a**

b Qualified dividends (see instrs). **9b**

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions). **10**

11 Alimony received. **11**

12 Business income or (loss). Attach Schedule C or C-EZ. **12 47,320.**

13 Capital gain or (loss). Attach Form 970. **13**

14 Other gains or (losses). Attach Form 4797. **14**

15a IRA distributions. **15a** b Taxable amount (see instrs) **15b**

16a Pensions and annuities. **16a** b Taxable amount (see instrs) **16b**

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. **17**

18 Farm income or (loss). Attach Schedule F. **18**

19 Unemployment compensation. **19**

20a Social security benefits. **20a** b Taxable amount (see instrs) **20b**

21 Other income. **21 3,548.**

22 Add the amounts in the far right column for lines 7 through 21. This is your total income. **22 79,499.**

**Adjusted Gross Income**

23 Archer MSA deduction. Attach Form 8853. **23**

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. **24**

25 Health savings account deduction. Attach Form 8889. **25**

26 Moving expenses. Attach Form 3903. **26**

27 One-half of self-employment tax. Attach Schedule SE. **27 251.**

28 Self-employed SEP, SIMPLE, and qualified plans. **28**

29 Self-employed health insurance deduction (see instructions). **29 2,117.**

30 Penalty on early withdrawal of savings. **30**

31a Alimony paid b Recipient's SSN. **31a**

32 IRA deduction (see instructions). **32**

33 Student loan interest deduction (see instructions). **33**

34 Jury duty pay you gave to your employer. **34**

35 Domestic production activities deduction. Attach Form 8803. **35**

36 Add lines 23 - 31a and 32 - 35. **36 2,368.**

37 Subtract line 36 from line 22. This is your adjusted gross income. **37 77,131.**

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions.

FD-1040 (12-11-07/06)

Form 1040 (2006)

FBO007173

Form 1040 (2006) **Lew E and Susan R Baxter****Tax and Credits****Standard Deduction for —**

• People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

## • All others:

Single or Married filing separately, \$5,150

Married filing jointly or Qualifying widow(er), \$10,300

Head of household, \$7,550

38 Amount from line 37 (adjusted gross income) 38 77,131.

39a Check ☐ You were born before January 2, 1942, ☐ Blind. Total boxes checked ☐ 39a ☐ Spouse was born before January 2, 1942, ☐ Blind. checked ☒ 39bb If your spouse itemizes on a separate return, or you were a dual-status alien, see instructions and ck here. ☐ 39b

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 12,962.

41 Subtract line 40 from line 38 41 64,169.

42 If line 38 is over \$112,875, or you provided housing to a person displaced by Hurricane Katrina, see instructions. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d 42 9,900.

43 Taxable income. Subtract line 42 from line 41. 43 54,269.

If line 42 is more than line 41, enter -0- 44 7,386.

44 Tax (see instructions). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972 44 7,386.

45 Alternative minimum tax (see instructions). Attach Form 6251. 45 0.

46 Add lines 44 and 45 46 7,386.

47 Foreign tax credit. Attach Form 1116 if required. 47

48 Credit for child and dependent care expenses. Attach Form 2441 48

49 Credit for the elderly or the disabled. Attach Schedule R 49

50 Education credits. Attach Form 8863 50

51 Retirement savings contributions credit. Attach Form 8880 51

52 Residential energy credits. Attach Form 5695 52

53 Child tax credit (see instructions). Attach Form 8901 if required 53 1,000.

54 Credits from: a ☐ Form 8396 b ☐ Form 8839 c ☐ Form 8859 5455 Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Form 8801 55

56 Add lines 47 through 55. These are your total credits 56 1,000.

57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0- 57 6,386.

58 Self-employment tax. Attach Schedule SE 58 501.

59 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 59

60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required. 60

61 Advance earned income credit payments from Form(s) W-2, box 9 61

62 Household employment taxes. Attach Schedule H 62

63 Add lines 57-62. This is your total tax 63 6,887.

**Other Taxes****Payments**

If you have a qualifying child, attach Schedule EIC.

64 Federal income tax withheld from Forms W-2 and 1099 64 1,048.

65 2008 estimated tax payments and amount applied from 2007 return 65

66a Earned income credit (EIC) 66a

b Nonrefundable combat pay election ☒ 66b

67 Excess social security and tier 1 RRTA tax withheld (see instructions) 67

68 Additional child tax credit. Attach Form 8812 68

69 Amount paid with request for extension to file (see instructions) 69

70 Payments from: a ☐ Form 2439 b ☐ Form 4136 c ☐ Form 8855 70

71 Credit for federal telephone excise tax paid. Attach Form 8913 if required 71 50.

72 Add lines 64, 65, 66a, and 67 through 71. These are your total payments 72 1,098.

**Refund**

Direct deposit? See instructions and fill in 74b, 74c, and 74d or Form 8888.

73 If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid 73

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ☐ 74ab Routing number  c Type: ☐ Checking ☐ Savingsd Account number 

75 Amount of line 73 you want applied to your 2007 estimated tax 75

76 Amount you owe. Subtract line 72 from line 63. For details on how to pay, see instructions 76 6,016.

77 Estimated tax penalty (see instructions) 77 227.

**Third Party Designee**Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following. ☐ NoDesignee's name  Preparer Phone no.  Personal identification number (PIN) **Sign Here**

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature  Date  Your occupation  Daytime phone number Spouse's signature. If a joint return, both must sign.  Date  Spouse's occupation Executive Assistant **Paid Preparer's Use Only**Preparer's signature  Date  Check if self-employed ☒Firm's name (or yours if self-employed)  Frank V. Jones, CPAFirm's address, on ZIP code Firm's phone number 

See Statement 2

6,156.

Form 1040 (2006)

FD040112L 11/07/06

FBO007174

Form **2210**Department of the Treasury  
Internal Revenue Service**Underpayment of  
Estimated Tax by Individuals, Estates, and Trusts**▶ See separate instructions.  
▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

OMB No. 1545-0140

**2006**Attachment  
Sequence No. **06**

Name(s) shown on tax return

**Lew E and Susan R Baxter****Do You Have To File Form 2210?**

Complete lines 1 through 7 below. Is line 7 less than \$1,000?	Yes	Do not file Form 2210. You do not owe a penalty.
No		
Complete lines 8 and 9 below. Is line 6 equal to or more than line 9?	Yes	You do not owe a penalty. Do not file Form 2210 (but if box E below applies, you must file page 1 of Form 2210).
No		
You may owe a penalty. Does any box in Part II below apply?	Yes	You must file Form 2210. Does box B, C, or D apply?
No		
	No	
	Yes	You must figure your penalty.
Do not file Form 2210. You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but do not file Form 2210.		You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but file only page 1 of Form 2210.

**Part I Required Annual Payment (see instructions)**

1 Enter your 2006 tax after credits from Form 1040, line 57 (or comparable line of your return).....	1	6,386.
2 Other taxes, including self-employment tax (see instructions).....	2	501.
3 Refundable credits. Enter the total of your earned income credit, additional child tax credit, credit for federal tax paid on fuels, and health coverage tax credit.....	3	0.
4 Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, see instructions.....	4	6,887.
5 Multiply line 4 by 90% (.90).....	5	6,198.
6 Withholding taxes. Do not include estimated tax payments. See instructions.....	6	1,048.
7 Subtract line 6 from line 4. If less than \$1,000, you do not owe a penalty; do not file Form 2210.....	7	5,839.
8 Maximum required annual payment based on prior year's tax (see instructions).....	8	5,371.
9 Required annual payment. Enter the smaller of line 5 or line 8.....	9	5,371.

Next: Is line 9 more than line 6?

☐ No. You do not owe a penalty. Do not file Form 2210 unless box E below applies.☒ Yes. You may owe a penalty, but do not file Form 2210 unless one or more boxes in Part II below applies.

• If box B, C, or D applies, you must figure your penalty and file Form 2210.

• If only box A or E (or both) applies, file only page 1 of Form 2210. You are not required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but file only page 1 of Form 2210.

**Part II Reasons for Filing. Check applicable boxes. If none apply, do not file Form 2210.**

- A** ☐ You request a waiver (see instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B** ☐ You request a waiver (see instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C** ☐ Your income varied during the year and your penalty is reduced or eliminated when figured using the annualized income installment method. You must figure the penalty using Schedule AI and file Form 2210.
- D** ☐ Your penalty is lower when figured by treating the federal income tax withheld from your wages as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- E** ☐ You filed or are filing a joint return for either 2005 or 2006, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are not required to figure your penalty (unless box B, C, or D applies).

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 2210 (2006)

Form 2210 (2006) **Lew E and Susan R Baxter****Part III Short Method**

You may use the short method if:

- You made no estimated tax payments (or your only payments were withheld federal income tax), or
- You paid estimated tax in equal amounts on your due dates.

**TIP:** You do not need to file Form 2210 unless you checked a box in Part II on page 1.

You must use the regular method (Part IV) instead of the short method if:

- You made any estimated tax payments late,
- You checked box C or D in Part II, or
- You are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding.

**Note:** If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.

10	Enter the amount from Form 2210, line 9.....	10	5,371.
11	Enter the amount, if any, from Form 2210, line 6.....	11	1,048.
12	Enter the total amount, if any, of estimated tax payments you made.....	12	
13	Add lines 11 and 12.....	13	1,048.
14	Total underpayment for year. Subtract line 13 from line 10. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box E on page 1.....	14	4,323.
15	Multiply line 14 by .05258 (use the factor shown in the instructions if you are eligible for Hurricane Katrina relief).....	15	227.
16	<ul style="list-style-type: none"> <li>• If the amount on line 14 was paid on or after 4/15/07, enter -0-.</li> <li>• If the amount on line 14 was paid before 4/15/07, make the following computation to find the amount to enter on line 16.</li> </ul>		
	Amount on line 14      x      Number of days paid before 4/15/07      x      .00022.....	16	0.
17	Penalty. Subtract line 16 from line 15. Enter the result here and on Form 1040, line 77; Form 1040A, line 48; Form 1040NR, line 75; Form 1040NR-EZ, line 27; or Form 1041, line 26.....	17	227.

Form 2210 (2006)

**SCHEDULE A**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Itemized Deductions**▶ Attach to Form 1040.  
▶ See Instructions for Schedule A (Form 1040).

OMB No. 1545-0074

**2006**Attachment  
Sequence No. 07

Name(s) shown on Form 1040

Lew E and Susan R Baxter

<b>Medical and Dental Expenses</b>		<b>Caution. Do not include expenses reimbursed or paid by others.</b>			
1	Medical and dental expenses (see instructions)	1			
2	Enter amount from Form 1040, line 38	2			
3	Multiply line 2 by 7.5% (.075)	3			
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4			0.
<b>Taxes You Paid</b>		5	State and local income taxes	2,205.	
6	Real estate taxes (see instructions)	6		434.	
7	Personal property taxes	7			
8	Other taxes. List type and amount ▶	8			
9	Add lines 5 through 8	9			2,639.
<b>Interest You Paid</b>		10	Home mlg interest and points reported to you on Form 1098	8,293.	
11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶	11			
<b>Note. Personal interest is not deductible.</b>		12	Points not reported to you on Form 1098. See instrs for appt rules		
13	Investment interest. Attach Form 4952 if required. (See instrs.)	13			
14	Add lines 10 through 13	14			8,293.
<b>Gifts to Charity</b>		15	Gifts by cash or check. If you made any gift of \$250 or more, see instrs. See Statement .4	1,630.	
16	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500. See Statement .5	16		400.	
17	Carryover from prior year	17			
18	Add lines 15 through 17	18			2,030.
<b>Casualty and Theft Losses</b>		19	Casualty or theft loss(es). Attach Form 4684. (See instructions.)		0.
<b>Job Expenses and Certain Miscellaneous Deductions</b>		20	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶		
21	Tax preparation fees	21			
22	Other expenses — investment, safe deposit box, etc. List type and amount ▶	22			
23	Add lines 20 through 22	23			
24	Enter amount from Form 1040, line 38	24			
25	Multiply line 24 by 2% (.02)	25			
26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	26			0.
<b>Other Miscellaneous Deductions</b>		27	Other — from list in the instructions. List type and amount ▶		0.
<b>Total Itemized Deductions</b>		28	Is Form 1040, line 38, over \$150,500 (over \$75,250 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.		12,962.
		29	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶		



**SCHEDULE C**  
**(Form 1040)****Profit or Loss From Business**  
**(Sole Proprietorship)**

OMB No. 1545-0074

**2006**Attachment  
Sequence No. 09Department of the Treasury  
Internal Revenue Service (99)Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.  
Attach to Form 1040, 1040NR, or 1041. See instructions for Schedule C (Form 1040).

Name of proprietor

Lew E Baxter

A Principal business or profession, including product or service (see instructions)

Distributor

424990

C Business name, if no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.)  
City, town or post office, state, and ZIP codeF Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶G Did you 'materially participate' in the operation of this business during 2006? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2006, check here ▶

**Part I Income**

1 Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. <input checked="" type="checkbox"/>	1	81,668.
2 Returns and allowances	2	
3 Subtract line 2 from line 1.	3	81,668.
4 Cost of goods sold (from line 42 on page 2).	4	
5 Gross profit. Subtract line 4 from line 3.	5	81,668.
6 Other income, including federal and state gasoline or fuel tax credit or refund.	6	
7 Gross income. Add lines 5 and 6.	7	81,668.

**Part II Expenses.** Enter expenses for business use of your home only on line 30.

8 Advertising	8	73.	18 Office expense	18	17.
9 Car and truck expenses (see instructions)	9	7,040.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):	20	
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	2,535.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	333.
15 Insurance (other than health)	15	3,266.	23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:	24	
a Mortgage (paid to banks, etc.)	16a	2,809.	a Travel	24a	
b Other	16b		b Deductible meals and entertainment	24b	491.
17 Legal & professional services	17		25 Utilities	25	
			26 Wages (less employment credits)	26	
			27 Other expenses (from line 48 on page 2)	27	17,776.

28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns. 28 34,340.

29 Tentative profit (loss). Subtract line 28 from line 7. 29 47,328.

30 Expenses for business use of your home. Attach Form 8829. 30

31 Net profit or (loss). Subtract line 30 from line 29. 31 47,328.

• If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☐ All investment is at risk.32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule C (Form 1040) 2006

FD-20112L 11/03/06

FBO007178

Schedule C (Form 1040) 2006 Lew E BaxterPage 2**Part III Cost of Goods Sold** (see instructions)

33 Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation. <span style="float: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>	
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42

**Part IV Information on Your Vehicle.** Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) \_\_\_\_\_

44 Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for:  
a Business \_\_\_\_\_ b Commuting (see instructions) \_\_\_\_\_ c Other \_\_\_\_\_

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

47 a Do you have evidence to support your deduction? ☐ Yes ☐ No  
b If "Yes," is the evidence written? ☐ Yes ☐ No

**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

See Statement 6

48 Total other expenses. Enter here and on page 1, line 27	48	17,776.
--	----	---------

Schedule C (Form 1040) 2006



**SCHEDULE SE**  
**(Form 1040)****Self-Employment Tax**

OMB No. 1545-0074

**2006**Attachment  
Sequence No. **17**Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040. ▶ See instructions for Schedule SE (Form 1040).

Name of person with self-employment income (as shown on Form 1040)

**Lew E Baxter**Social security number of person  
with self-employment income ▶**Who Must File Schedule SE**

You must file Schedule SE if:

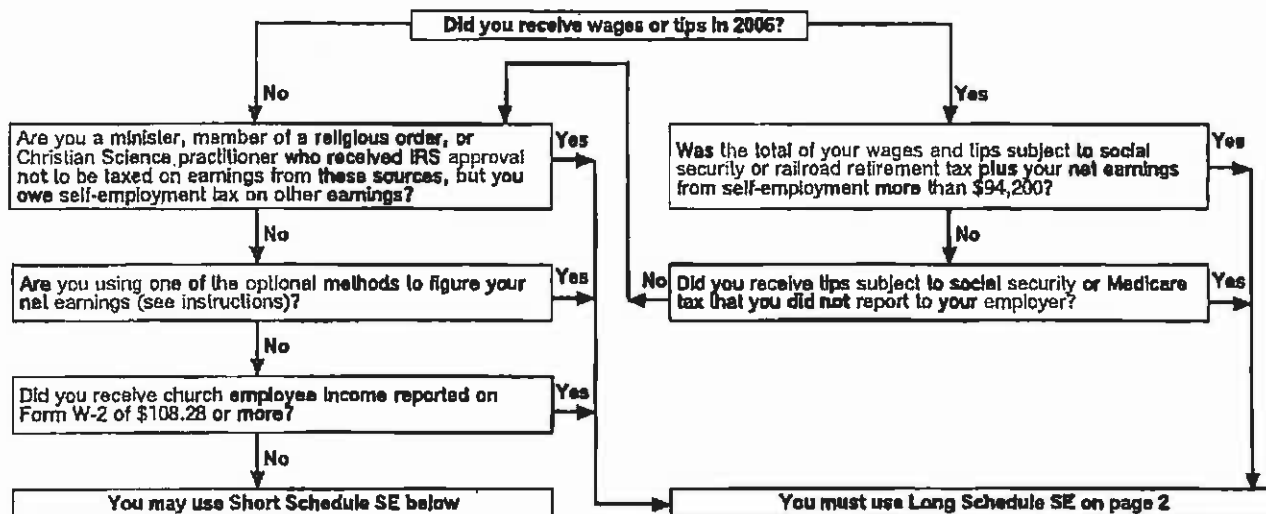
- You had net earnings from self-employment from other than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, or
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is not church employee income (see instructions).

**Note.** Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either 'optional method' in Part II of Long Schedule SE (see instructions).

**Exception.** If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, do not file Schedule SE. Instead, write 'Exempt - Form 4361' on Form 1040, line 58.

**May I Use Short Schedule SE or Must I Use Long Schedule SE?**

**Note.** Use this flowchart only if you must file Schedule SE. If unsure, see Who Must File Schedule SE, above.

**Section A – Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.**

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A .....	1	
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for amounts to report on this line. See instructions for other income to report .....	2	3,548.
3	Combine lines 1 and 2. ....	3	3,548.
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax. ....	4	3,277.
5	Self-employment tax. If the amount on line 4 is: • \$94,200 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 58. • More than \$94,200, multiply line 4 by 2.9% (.029). Then, add \$11,680.80 to the result. Enter the total here and on Form 1040, line 58. ....	5	501.
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27. ....	6	251.

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 2006

**2006****Federal Statements****Page 1****Lew E and Susan R Baxter****Statement 1  
Form 1040, Line 21  
Other Income**

Huntingdon College.....	\$	850.
Roman Meal Company.....		-2,698.
<b>Total</b>	<b>\$</b>	<b><u>3,548.</u></b>

**Statement 2  
Form 1040, Page 2  
Penalties**

Tax Due Before Penalties.....	\$	6,016.
Late Payment.....		140.
<b>Grand Total Tax Due</b>	<b>\$</b>	<b><u>6,156.</u></b>

**Statement 3  
Schedule A, Line 10  
Home Mortgage Interest Reported on Form 1098**

.....	\$	8,293.
<b>Total</b>	<b>\$</b>	<b><u>8,293.</u></b>

**Statement 4  
Schedule A, Line 15  
Contributions by Cash or Check**

Auburn University.....	\$	400.
East Memorial Baptist Church.....		620.
Various Charities.....		610.
<b>Total</b>	<b>\$</b>	<b><u>1,630.</u></b>

**Statement 5  
Schedule A, Line 16  
Contributions Other than Cash**

Salvation Army.....	\$	400.
<b>Total</b>	<b>\$</b>	<b><u>400.</u></b>

**Statement 6 - Distributor  
Schedule C, Part V  
Other Expenses**

Administration.....	\$	936.
Amortization.....		2,857.
Casual Labor.....		5,870.
Dues and Subscriptions.....		76.
Equipment Rental.....		1,371.
Other Operating Expenses.....		2,850.

FBO007181

2006

## Federal Statements

Page 2

Lew E and Susan R Baxter

Statement 6 - Distributor (continued)  
Schedule C, Part V  
Other Expenses

PBS Shrink Charge.....	\$	28.
Relief Driver.....		447.
Telephone.....		1,809.
Uniforms.....		180.
Warehouse Rent/Utilities.....		1,352.
Total	\$	<u>17,776.</u>

FBO007182

FORM 40 Alabama  
Individual Income Tax Return  
RESIDENTS AND  
PART-YEAR RESIDENTS



For the year Jan 1 - Dec 31, 2006, or other tax year: Begin End

Taxpayer's name

Lew E Baxter

Spouse's first name

Susan R Baxter

O. Box number

City, county or town name

Deatsville, AL 36022

State ZIP Code

Filing Status and Exemptions

- 1 ☐ \$1,500 Single  
2 ☒ \$3,000 Married filing joint return (even if only one spouse had income)  
3 ☐ \$1,500 Married filing separate return. Complete line 5 with spouse's name and SSN.  
4 ☐ \$3,000 Head of family (with qualifying person). (See instructions.) Complete line 5.

5 Name

SSN

Relationship

Income and Adjustments

6	Wages, salaries, tips, etc (list each employer and address separately).	Inc	A - Alabama tax withheld	B - Income
6a			891.00	28,623.00
6b			00	00
6c			00	00
6d			00	00
7	Interest and dividend income (also attach Schedule B if over \$1,500)			00
8	Other income (from page 2, Part I, line 9)			50,876.00
9	Total income. Add amounts in the income column for line 6a through line 8.			79,499.00
10	Total adjustments to income (from page 2, Part II, line 8)			2,117.00
11	Adjusted gross income. Subtract line 10 from line 9.			77,382.00

Deductions

You Must Attach page 2 of Federal Form 1040, Federal Form 1040A, Federal Form 1040NR, or page 1 of 1040EZ, if claiming a deduction on line 13.

12	Check box a, if you itemize deductions, and enter amount from Sch A, line 26. Check box b, if you do not itemize deductions, and enter standard deduction (see instr.)	Box a or b MUST be checked
a	<input checked="" type="checkbox"/> Itemized Deductions	b <input type="checkbox"/> Standard Deduction
12		16,543.00
13	Federal tax deduction (see instructions). DO NOT ENTER FEDERAL TAX WITHHELD FROM YOUR FORM W-2S	6,386.00
14	Personal exemption (from line 1, 2, 3, or 4)	3,000.00
15	Dependent exemption (from page 2, Part III, line 2)	300.00
16	Total deductions. Add lines 12, 13, 14, and 15.	26,229.00

Tax

Do Not Staple Form 40, W-2, W-2G, 1099 or other 40V to this form.

17	Taxable income. Subtract line 16 from line 11.	51,153.00
18	Income tax due. Enter here and check if from: <input type="checkbox"/> Form NOL-85A	2,478.00
19	Less credits from: <input type="checkbox"/> Schedule CR and/or <input type="checkbox"/> Schedule OC	00
20a	Net tax due Alabama. Subtract line 19 from line 18.	2,478.00
20b	Consumer Use Tax (use worksheet in the instructions)	00
21	Alabama Election Campaign Fund. You may make a voluntary contribution to the following: a Alabama Democratic Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input checked="" type="checkbox"/> none b Alabama Republican Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input checked="" type="checkbox"/> none	00
22	Total tax liability and voluntary contribution. Add lines 20a, 20b, 21a, and 21b.	2,478.00

Payments

23	Alabama income tax withheld (from Forms W-2, W-2G, and/or 1099)	891.00
24	Amount paid with extension (attach Form 4868A)	00
25	2006 estimated tax payments (see instructions)	00
26	Total payments. Add lines 23 through 25.	891.00

AMOUNT YOU OWE

27	If line 22 is larger than line 26, subtract line 26 from line 22, and enter AMOUNT YOU OWE. Place payment, along with Form 40V, loose in mailing envelope. (FORM 40V MUST ACCOMPANY PAYMENT.)	1,746.00
28	Estimated tax penalty. Also include on line 27 (see instructions)	159.00

OVERPAID

29	If line 26 is larger than line 22, subtract line 22 from line 26, & enter amount OVERPAID	00
30	Amount of line 29 to be applied to your 2007 estimated tax	00

Donation Check-offs

31	Total Donation Check-offs from Schedule DC, line 2	00
32	Total. Add line 30 and line 31	00

REFUND

33	REFUNDED TO YOU. (CAUTION: You must sign this return on page 2.) Subtract line 32 from line 29. For Direct Deposit, check here <input type="checkbox"/> and complete Part V, Page 2.	00
----	--	----

WHERE TO FILE FORM 40

Alabama Department of Revenue  
P.O. Box 154  
Montgomery, Alabama 36135-0001

If you are making a payment, mail your return, Form 40V, and payment to:  
Alabama Department of Revenue  
P.O. Box 2401  
Montgomery, Alabama 36140-0001

Mail only your 2006 Form 40 to one of the above addresses. Prior year returns, amended returns, and all other correspondence should be mailed to Alabama Department of Revenue, P.O. Box 327464, Montgomery, AL 36132-7464.

Late penalties & interest

ALIA012L 11/08/06 \$ 26.

AL32

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FORM 40 (2006) Lew E and Susan R Baxter

PAGE 2

Other Income (see instructions)	<b>PART I</b>	1	Alimony received.....	1	•	00
		2	Business income or (loss) (attach Federal Schedule C or C-EZ).....	2	•	47,328 00
		3	Gain or (loss) from sale of Real Estate, Stocks, Bonds, etc (attach Schedule D).....	3	•	00
		4 a	Total IRA distributions .... 4a • 00	4 b	Taxable amount (see instructions) 4b • 00	
		5 a	Total pensions & annuities . 5a • 00	5 b	Taxable amount (see instructions) 5b • 00	
		6	Rents, royalties, partnerships, estates, trusts, etc (attach Schedule E).....	6	•	00
		7	Farm income or (loss) (attach Federal Schedule F).....	7	•	00
		8	Other income (state nature and source -- see instructions) .. See Statement 1	8	•	3,548 00
	9	Total other income. Add lines 1 through 8. Enter here and also on page 1, line 8.....	9	•	50,876 00	

Adjustments to Income (see instructions)	<b>PART II</b>	1 a	Your IRA deduction.....	1a	•	00
		b	Spouse's IRA deduction.....	1b	•	00
		2	Payments to a Keogh retirement plan and self-employment SEP deduction.....	2	•	00
		3	Penalty on early withdrawal of savings.....	3	•	00
		4	Alimony paid. Recipient's last name . SSN • Address	4	•	00
		5	Adoption expenses.....	5	•	00
		6	Moving Expenses (all Federal Form 3903) to City State ZIP	6	•	00
		7	Self-employed health insurance deduction.....	7	•	2,117 00
	8	Total adjustments. Add lines 1 through 7. Enter here and also on page 1, line 10.....	8	•	2,117 00	

Dependents  Do not include yourself or your spouse (see instructions)	<b>PART III</b>	1 a	Dependents: (1) First name Last name (2) Dependent's social security number. (3) Dependent's relationship to you. (4) Did you provide more than one-half dependent's support?	Yes
		b	Total number of dependents claimed above.....	1
		2	Amount allowed. (Multiply \$300 by the total number of dependents claimed on line 1b.) Enter amount here and on page 1, line 15.....	2

General Information	<b>PART IV</b>	1	Residency • <input checked="" type="checkbox"/> Full Year If you were a part-year resident of AL during 2006, indicate your period of residence: Check only one box • <input type="checkbox"/> Part Year From 2006 through 2006. Total months
		2	Did you file an Alabama income tax return for the year 2005? ... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		3	If no, state reason.
		4	Give name and address of present employer(s): Your Your spouse's
All Taxpayers Must Complete This Section		5	Enter the Federal Adjusted Gross Income • \$ 77,131. and Federal Taxable Income • \$ 54,269. as reported on your 2006 Federal Individual Income Tax Return.
		6	Do you have income which is reported on your Federal return, but not reported on your AL return (other than your state tax refund)? ... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, enter source(s) and amount(s) below: (other than state income tax refund)
		7	Do you have income included in this return from a grantor trust? .... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Direct Deposit	<b>PART V</b>	For Direct Deposit of your refund, complete 1, 2, and 3 below. (See Instructions to see if you qualify.)			
		1	Routing Number: 2 Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
		3	Account Number:		
		• <input checked="" type="checkbox"/> I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer. Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Sign Here  Keep a copy of this return for your records.		Your signature	Date	Daytime telephone number	Your occupation Distributor
		Spouse's Signature (if joint return, BOTH must sign)	Date	Daytime telephone number	Spouse's occupation Executive Assistant
		Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN
		Firm's name (or yours if self-employed)	Frank V. Jones, CPA		

ZIP Code  
36801

ALIA0112L 11/05/06

AL32

FBO007184

Mail payment along with Form 40V to:  
 Alabama Department of Revenue  
 P. O. Box 2401  
 Montgomery, AL 36140-0001

FORM  
 40V 2006



DO  
 NOT  
 SUBMIT  
 THIS  
 VOUCHER  
 TO  
 THE  
 TAX  
 AUTHORITY  
 IF  
 YOU  
 ARE  
 PAYING  
 BY  
 E-CHECK  
 OR  
 CREDIT  
 CARD

ALABAMA DEPARTMENT OF REVENUE  
 Individual Income Tax Payment Voucher

Tax Type: II

Tax Period: 12-31-2006

Primary Taxpayer SSN:

Spouse SSN:

Tax Form (mark only one): ☒ 40 ☐ 40A ☐ 40NR ☐ E40

DO NOT SUBMIT FORM 40V IF PAYMENT WAS MADE  
 BY E-CHECK OR CREDIT CARD.

Amount Due: \$ 1,772.

PRIMARY TAXPAYER'S FIRST NAME

SPOUSE'S FIRST NAME

LAST NAME

• Lew E

Susan R

Baxter

MAILING ADDRESS

STATE ZIP

DAYTIME TELEPHONE NUMBER

ALIA1501L 09/15/06

AL30

FBO007185

**SCHEDULES**  
**A, B, CR, & DC**  
**(FORM 40)**

ALABAMA DEPARTMENT OF REVENUE  
**Schedule A — Itemized Deductions 2006**

(Schedules B, CR and DC are on page 2)  
**ATTACH TO FORM 40 — SEE INSTRUCTIONS FOR SCHEDULE A**

Name(s) as shown on Form 40

**Lew E and Susan R Baxter**

The itemized deductions you may claim for the year 2006 are similar to the itemized deductions claimed on your Federal return, but the amounts may differ. Please see instructions before completing this schedule. **PART-YEAR RESIDENTS:** A resident of Alabama for only a part of the year should list below only those deductions actually paid while a resident of Alabama.

<b>CAUTION: Do not include expenses reimbursed or paid by others.</b>				
<b>Medical and Dental Expenses</b> (See instructions)	1 Medical and dental expenses	1	00	
	2 Enter amount from Form 40, line 11	2	00	
	3 Multiply the amount on line 2 by 4% (.04). Enter the result.	3	00	
	4 Subtract line 3 from line 1. Enter the result. If zero or less, enter -0-	4	0 00	
<b>Taxes You Paid</b> (See instructions)	5 Real estate taxes	5	434 00	
	6 FICA Tax (Social Security & Medicare) and Federal Self-Employment Tax	6	5,786 00	
	7 Railroad Retirement (Tier 1 only)	7	00	
	8 Other taxes. (List — include personal property taxes.)	8	00	
	9 Add the amounts on lines 5 through 8. Enter the total here	9	6,220 00	
<b>Interest You Paid</b> (See instructions)	10a Home mortgage interest & points reported to you on Federal Form 1098. See Statement 2	10a	8,293 00	
	b Home mortgage int not reported to you on Fed Form 1098. (If paid to an individual, show that person's name & add.)			
	10b	00		
	11 Points not reported to you on Form 1098	11	00	
<b>NOTE: Personal interest is not deductible.</b>	12 Investment interest (Attach Form 4962A)	12	00	
	13 Add the amounts on lines 10a through 12. Enter the total here	13	8,293 00	
<b>Gifts to Charity</b> (See instructions)	<b>CAUTION: If you made a charitable contribution and received a benefit in return, see instructions.</b>			
	14 Contributions by cash or check. See Statement 3	14	1,630 00	
	15 Other than cash or check. (You MUST attach Fed Form 8283 if over \$500.)	15	400 00	
	16 Carryover from prior year. See Statement 4	16	00	
	17 Add the amounts on lines 14 through 16. Enter the total here	17	2,030 00	
<b>Casualty and Theft Loss</b> (Attach Form 4684)	18a Enter the amount from Federal Form 4684, line 16 (See instructions)	18a	00	
	b Enter 10% of your adjusted gross income (Form 40, line 11)	18b	00	
	c Subtract line 18b from line 18a. If zero or less, enter -0-	18c	0 00	
<b>Job Expenses and Most Other Miscellaneous Deductions</b> (See instructions)	19 Unreimbursed employee expenses — job travel, union dues, job education, etc (You MUST attach Federal Form 2106 if required. See instructions.)	19	00	
	20 Other expenses (investment, tax preparation, safe deposit box, etc). List type and amount	20	00	
	21 Add the amounts on lines 19 and 20. Enter the total	21	00	
	22 Multiply the amount on Form 40, line 11 by 2% (.02). Enter the result here	22	00	
	23 Subtract line 22 from line 21. Enter the result. If zero or less, enter -0-	23	0 00	
<b>Other Miscellaneous Deductions</b>	24 Other (from list in instructions). List type and amount	24	0 00	
<b>Qualified Long-Term Care Ins Premiums</b>	<b>CAUTION: Do not include medical premiums.</b>			
25 Enter amount here	25	0 00		
<b>Total Itemized Deductions</b>	26 Add the amounts on lines 4, 9, 13, 17, 18c, 23, 24, and 25. Enter the total here. Then enter on Form 40, page 1, line 12	26	16,543 00	

Schedule A (Form 40) 2006  
AL30

ALIA0201L 10/13/06

FBO007186



FORM  
2210AL

2006

ALABAMA DEPARTMENT OF REVENUE  
**Estimated Tax Penalties for Individuals**  
 SEE SEPARATE INSTRUCTIONS • ATTACH TO FORM 40 OR FORM 40NR

Name(s) as shown on tax return

Lew E and Susan R Baxter

If all of the following apply, complete Part I only. If A, B and C apply, but D does not, skip Part I and complete Part II. Under no circumstances will you be subject to both penalties

- A You had income other than wages or salaries in excess of \$3,750.00 for taxpayers filing joint returns, or \$1,875.00 for single taxpayers (including head of family or married filing separately);
- B The amount of tax you owe (line 27 of Form 40 or line 26 of Form 40NR) without regard to any payments made with extension exceeds \$100.00; and
- C You did not pay in through withholding or estimated tax payments either 100% of your previous year's tax liability or 90% of your current year's tax liability; and
- D You did not make any quarterly estimated tax payments for 2006.

**PART I - Estimated Tax Penalty**

1 Enter your 2006 net tax due after credits (line 20a of Form 40 or line 21 of Form 40NR) .....	1	2,478	00
2 Enter the net tax due as shown on your 2005 return (line 20a of Form 40 or line 21 of Form 40NR) .....	2	2,158	00
3 Enter all Alabama income tax withheld for 2006. If line 3 is greater than or equal to line 2, STOP, you do not owe the penalty .....	3	891	00
4 Total underpayment for the year. Subtract line 3 from line 1. If zero or less, stop here, you do not owe this penalty .....	4	1,587	00
5 If the amount on line 4 is less than \$500.00, enter \$500.00; if not, multiply the amount on line 4 by 10% (.10) and enter the result here and on line 28 of Form 40 or line 27 of Form 40NR. This is your estimated tax penalty .....	5	159	00

**PART II - Underestimation Penalty**

**Section A - Required Annual Payment.** Complete this section if you made estimated tax payments for 2006 and the tax due on your 2006 return exceeded \$100.00.

1 Enter your 2006 net tax due after credits from line 20a of Form 40 or line 21 of Form 40NR .....	1		00
2 Multiply line 1 by 90% (.90) .....	2		00
3 Enter the net tax due as shown on your 2005 return (line 20a of Form 40 or line 21 of Form 40NR) .....	3		00
4 Alabama Income Tax Withheld for 2006. Do not include any estimated tax payments on this line .....	4		00
5 Estimated taxes paid for 2006 .....	5		00
6 Add lines 4 and 5. Enter result here. ...	6		00
If line 6 is greater than or equal to lines 2 or 3, STOP HERE, you do not owe this penalty. DO NOT FILE Form 2210AL.			
7 Subtract line 4 from line 1. This is your Required Annual Payment. If less than \$100.00, stop here; do not complete or file this form. You do not owe the penalty. ....	7		00

**Section B - Short Method.** If your income varied during the year, you may want to calculate this penalty using the Quarterly Method on page 2 of this form.

8 Required Annual Payment for 2006 (from line 7, Part II above) .....	8		00
9 Estimated taxes paid for 2006 (from line 5, Part II above) .....	9		00
10 Total underpayment for year. Subtract line 9 from line 8. If zero or less, stop here; you do not owe the penalty .....	10		00
11 Multiply line 10 by .06 .....	11		00
12 • If the amount on line 10 was paid on or after 4/15/07, enter -0-.			
• If the amount on line 10 was paid before 4/15/07, make the following computation to find the amount to enter on line 12.			
Amount on line 10 X Number of days paid before 4/15/07 X .00016 .....	12		000
13 Penalty. Subtract line 12 from line 11. Enter the result here and on line 28 of Form 40 or line 27 of Form 40NR .....	13		00

AL10612L 12/07/06

AL30 Form 2210AL (2006)

FBO007187



**SCHEDULE C**  
**(Form 1040)****Profit or Loss From Business**  
**(Sole Proprietorship)**

OMB No. 1545-0074

**2006**Attachment  
Sequence No. 09Department of the Treasury  
Internal Revenue Service (99)

Revised for Alabama

Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.

Attach to Form 1040, 1040NR, or 1041. See instructions for Schedule C (Form 1040).

Name of proprietor

Lew E Baxter

A Principal business or profession, including product or service (see instructions)

Distributor

E Employer ID number (EIN), if any

424990

C Business name, if no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.)  
City, town or post office, state, and ZIP codeF Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶G Did you 'materially participate' in the operation of this business during 2006? If 'No,' see instructions for limit on losses. ... ☒ Yes ☐ No

H If you started or acquired this business during 2006, check here

**Part I** **Income**

1	Gross receipts or sales. Caution: If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. ... <input checked="" type="checkbox"/>	1	81,668.
2	Returns and allowances	2	
3	Subtract line 2 from line 1.	3	81,668.
4	Cost of goods sold (from line 42 on page 2).	4	
5	Gross profit. Subtract line 4 from line 3.	5	81,668.
6	Other income, including federal and state gasoline or fuel tax credit or refund.	6	
7	Gross income. Add lines 5 and 6.	7	81,668.

**Part II** **Expenses. Enter expenses for business use of your home only on line 30.**

8	Advertising.	8	73.	18	Office expense.	18	17.
9	Car and truck expenses (see instructions)	9	7,040.	19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):	20	
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20a	
12	Depreciation	12		b	Other business property	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21	Repairs and maintenance	21	2,535.
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	333.
15	Insurance (other than health)	15	3,266.	23	Taxes and licenses	23	
16	Interest:	16		24	Travel, meals, and entertainment:	24	
a	Mortgage (paid to banks, etc.)	16a	2,809.	a	Travel	24a	
b	Other	16b		b	Deductible meals and entertainment	24b	491.
17	Legal & professional services	17		25	Utilities	25	
26		26		26	Wages (less employment credits)	26	
27		27		27	Other expenses (from line 43 on page 2)	27	17,776.

28	Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28	34,340.
29	Tentative profit (loss). Subtract line 28 from line 7.	29	47,328.
30	Expenses for business use of your home. Attach Form 8829.	30	
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	47,328.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

32a ☐ All investment is at risk.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule C (Form 1040) 2006

Schedule C (Form 1040) 2006 Lew E BaxterPage 2**Part III Cost of Goods Sold** (see instructions)33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?  
If 'Yes,' attach explanation. ☐ Yes ☐ No35 Inventory at beginning of year. If different from last year's closing inventory,  
attach explanation. 35

36 Purchases less cost of items withdrawn for personal use. 36

37 Cost of labor. Do not include any amounts paid to yourself. 37

38 Materials and supplies. 38

39 Other costs. 39

40 Add lines 35 through 39. 40

41 Inventory at end of year. 41

42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4. 42

**Part IV Information on Your Vehicle.** Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) \_\_\_\_\_

44 Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for:

a Business \_\_\_\_\_ b Commuting (see instructions) \_\_\_\_\_ c Other \_\_\_\_\_

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No47a Do you have evidence to support your deduction? ☐ Yes ☐ Nob If 'Yes,' is the evidence written? ☐ Yes ☐ No**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

See Statement 5

48 Total other expenses. Enter here and on page 1, line 27. 48 17,776.

Schedule C (Form 1040) 2006

**2006****Alabama Statements****Page 1****Client 200316****Lew E and Susan R Baxter**

3/22/08

05:17PM

**Statement 1  
Form 40, Part I, Line 8  
Other Income**

Huntingdon College.....	\$	850
Roman Meal Company.....		2,698
<b>Total</b>	<b>\$</b>	<b>3,548</b>

**Statement 2  
Schedule A, Line 10a  
Home Mortgage Interest/Points Reported to You**

Wells Fargo Bank, NA.....	\$	8,293
<b>Total</b>	<b>\$</b>	<b>8,293</b>

**Statement 3  
Schedule A, Line 14  
Contributions by Cash or Check**

Auburn University.....	\$	400
East Memorial Baptist Church.....		620
Various Charities.....		610
<b>Total</b>	<b>\$</b>	<b>1,630</b>

**Statement 4  
Schedule A, Line 15  
Contributions other than Cash/Check**

Salvation Army.....	\$	400
<b>Total</b>	<b>\$</b>	<b>400</b>

**Statement 5 - Distributor  
Schedule C, Part V  
Other Expenses**

Administration.....	\$	936.
Amortization.....		2,857.
Casual Labor.....		5,870.
Dues and Subscriptions.....		76.
Equipment Rental.....		1,371.
Other Operating Expenses.....		2,850.
PBS Shrink Charge.....		28.
Relief Driver.....		447.
Telephone.....		1,809.
Uniforms.....		180.
Warehouse Rent/Utilities.....		1,352.
<b>Total</b>	<b>\$</b>	<b>17,776.</b>

FBO007190

Form 1040 (2006) **Lew E and Susan R Baxter**Page **2****Tax and Credits****Standard Deduction for —**

• People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

## • All others:

Single or Married filing separately, \$5,150

Married filing jointly or Qualifying widow(er), \$10,300

Head of household, \$7,550

38	Amount from line 37 (adjusted gross income)	38	77,131.
39a	Check <input type="checkbox"/> You were born before January 2, 1942, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a <input type="checkbox"/> Spouse was born before January 2, 1942, <input type="checkbox"/> Blind. <input type="checkbox"/> 39b		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	12,962.
41	Subtract line 40 from line 38	41	64,169.
42	If line 38 is over \$112,875, or you provided housing to a person displaced by Hurricane Katrina, see instructions. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d	42	9,900.
43	Taxable income. Subtract line 42 from line 41	43	54,269.
44	Tax (see instrs). Check if any tax is from: <input type="checkbox"/> Form(s) 8814 <input type="checkbox"/> Form 4972	44	7,386.
45	Alternative minimum tax (see instructions). Attach Form 6251	45	0.
46	Add lines 44 and 45	46	7,386.
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Credit for the elderly or the disabled. Attach Schedule R	49	
50	Education credits. Attach Form 8863	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Residential energy credits. Attach Form 5695	52	
53	Child tax credit (see instructions). Attach Form 8801 if required	53	1,000.
54	Credits from: <input type="checkbox"/> Form 8396 <input type="checkbox"/> Form 8839 <input type="checkbox"/> Form 8859	54	
55	Other credits. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 8801 <input type="checkbox"/> Form	55	
56	Add lines 47 through 55. These are your total credits	56	1,000.
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	6,386.

**Other Taxes**

58	Self-employment tax. Attach Schedule SE	58	501.
59	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	59	
60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60	
61	Advance earned income credit payments from Form(s) W-2, box 9	61	
62	Household employment taxes. Attach Schedule H	62	
63	Add lines 57-62. This is your total tax	63	6,887.

**Payments**

If you have a qualifying child, attach Schedule EIC.

64	Federal income tax withheld from Forms W-2 and 1099	64	1,048.
65	2006 estimated tax payments and amount applied from 2005 return	65	
66a	Earned income credit (EIC)	66a	
66b	Nonrefundable combat pay election	66b	
67	Excess social security and tier 1 RRTA tax withheld (see instructions)	67	
68	Additional child tax credit. Attach Form 8812	68	
69	Amount paid with request for extension to file (see instructions)	69	
70	Payments from: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Form 8885	70	
71	Credit for federal telephone excise tax paid. Attach Form 8913 if required	71	50.
72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments	72	1,098.

**Refund**

Direct deposit? See instructions and fill in 74b, 74c, and 74d or Form 8888.

73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid	73	
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here	74a	
74b	Routing number	74b	
74c	Account number	74c	
74d	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	74d	
75	Amount of line 73 you want applied to your 2007 estimated tax	75	

**Amount You Owe**

76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see instructions	76	6,016.
77	Estimated tax penalty (see instructions)	77	227.

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following. ☐ No

Designee's name	Preparer	Phone no.	Personal identification number (PIN)
-----------------	----------	-----------	--------------------------------------

**Sign Here**

Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
		Distributor	
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
		Executive Assistant	

**Paid Preparer's Use Only**

Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>
Firm's name (or yours self-empl. address, ZIP code)	Frank V. Jones, CPA	EIN
		Phone

See Statement 2

6,156.

Form 1040 (2006)

FDIA011ZL 11/07/06

FBO007191

2006

Federal Statements

Page 1

Client 200316

Low E and Susan R Baxter

3/22/08

Statement 2  
Form 1040, Page 2  
Penalties

Tax Due Before Penalties.....	\$	6,016.
Late Payment.....		140.
Grand Total Tax Due	\$	<u>6,156.</u>

FBO007192

**BAXTER**  
**DEFENDANT'S EXHIBIT**  
**33**

**CLIENT  
COPY**

**2006 Individual Return  
prepared for:  
Lew E and Susan R Baxter**

**Frank V. Jones, CPA**

**DEFENDANT'S  
EXHIBIT**

*BAXTER 33*

Bax 000158

**CONFIDENTIAL**

CLIENT 200316

FRANK V. JONES, CPA

October 12, 2007

Lew E and Susan R Baxter

Dear Lew & Susy,

Enclosed is your 2006 Federal Individual Income Tax Return. The original should be signed at the bottom of page two. Both spouses should sign. There is a balance due of \$6,156.

Make your check payable to the "United States Treasury" and mail your Federal return with Form 1040-V payment voucher on or before October 15, 2007 to:

INTERNAL REVENUE SERVICE  
P.O. BOX 105017  
ATLANTA, GA 30348-5017

Enclosed is your 2006 Alabama Individual Income Tax Return. The original should be signed at the bottom of page two. Both spouses should sign. There is a balance due of \$1,772.

Make your check payable to the "Alabama Department of Revenue" and mail your Alabama return with Form 40V payment voucher on or before October 15, 2007 to:

ALABAMA DEPARTMENT OF REVENUE  
P.O. BOX 2401  
MONTGOMERY, AL 36140-0001

Please be sure to call if you have any questions.

Sincerely,



Frank V. Jones, CPA

CONFIDENTIAL

Bax 000159



Department of the Treasury -- Internal Revenue Service		U.S. Individual Income Tax Return <b>2006</b>		(99)	IRS Use Only -- Do not write or staple in this space.
For the year Jan 1 - Dec 31, 2006, or other tax year beginning		2006, ending		20	OMB No. 1545-0074
Your first name		MI	Last name		Year social security number
Lew E Baxter					
If a joint return, spouse's first name		MI	Last name		
Susan R Baxter					
Use a P.O. box, see instructions.			Apartment no.		
City, street or post office, or post office as shown on address, see instructions.			State ZIP code		
Deatsville, AL 36022					
<input checked="" type="checkbox"/> Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions)					<input type="checkbox"/> You <input type="checkbox"/> Spouse

Form 1040 (2006)

Bax 000160

Form 1040 (2006)		Lew E and Susan R Baxter		Page 2	
<b>Tax and Credits</b>		38	Amount from line 37 (adjusted gross income).....	38	11,131.
39a Check <input type="checkbox"/> You were born before January 2, 1942, <input type="checkbox"/> Blind. Total boxes		39a		39a	
if: <input type="checkbox"/> Spouse was born before January 2, 1942, <input type="checkbox"/> Blind. checked <input type="checkbox"/> 39b		39b		39b	
b If your spouse itemizes on a separate return, or you were a dual-status alien, see instrs and ck here. ▶ 39b					
40 Itemized deductions (from Schedule A) or your standard deduction (see left margin).....		40		40	12,962.
41 Subtract line 40 from line 38.....		41		41	64,169.
42 If line 38 is over \$112,875, or you provided housing to a person displaced by Hurricane Katrina, see instructions. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d.....		42		42	9,900.
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-.....		43		43	54,269.
44 Tax (see instrs). Check if any tax is from: a <input type="checkbox"/> Form(s) 9814 b <input type="checkbox"/> Form 4972.....		44		44	7,386.
45 Alternative minimum tax (see instructions). Attach Form 6251.....		45		45	0.
46 Add lines 44 and 45.....		46		46	7,386.
47 Foreign tax credit. Attach Form 1116 if required.....		47		47	
48 Credit for child and dependent care expenses. Attach Form 2441.....		48		48	
49 Credit for the elderly or the disabled. Attach Schedule R.....		49		49	
50 Education credits. Attach Form 8863.....		50		50	
51 Retirement savings contributions credit. Attach Form 8880.....		51		51	
52 Residential energy credits. Attach Form 5695.....		52		52	
53 Child tax credit (see instructions). Attach Form 8801 if required.....		53	1,000.	53	
54 Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8839 c <input type="checkbox"/> Form 8859.....		54		54	
55 Other credits. Check applicable box(es): a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form.....		55		55	
56 Add lines 47 through 55. These are your total credits.....		56		56	1,000.
57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-.....		57		57	6,386.
58 Self-employment tax. Attach Schedule SE.....		58		58	501.
59 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137.....		59		59	
60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required.....		60		60	
61 Advance earned income credit payments from Form(s) W-2, box 9.....		61		61	
62 Household employment taxes. Attach Schedule H.....		62		62	
63 Add lines 57-62. This is your total tax.....		63		63	6,887.
<b>Payments</b>		64	Federal income tax withheld from Forms W-2 and 1099.....	64	1,048.
65 2006 estimated tax payments and amount applied from 2005 return.....		65		65	
66a Earned income credit (EIC).....		66a		66a	
b Nonrefundable combat pay election..... ▶ 66b		66b		66b	
67 Excess social security and tier I RRTA tax withheld (see instructions).....		67		67	
68 Additional child tax credit. Attach Form 8812.....		68		68	
69 Amount paid with request for extension to file (see instructions).....		69		69	
70 Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885.....		70		70	
71 Credit for federal telephone excise tax paid. Attach Form 8913 if required.....		71	50.	71	
72 Add lines 64, 65, 66a, and 67 through 71. These are your total payments.....		72		72	1,098.
<b>Refund</b>		73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid.....	73	
74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here... ▶ <input type="checkbox"/>		74a		74a	
▶ b Routing number..... ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings					
▶ d Account number.....					
75 Amount of line 73 you want applied to your 2007 estimated tax..... ▶ 75		75		75	
<b>Amount You Owe</b>		76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see instructions.....	76	6,016.
77 Estimated tax penalty (see instructions).....		77	227.	77	
<b>Third Party Designee</b>		Do you want to allow another person to discuss this return with the IRS (see instructions)? <input checked="" type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No			
Designee's name ▶ Preparer		Phone no. ▶		Personal identification number (PIN) ▶	
<b>Sign Here</b>		Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Your signature		Date	Your occupation	Daytime phone number	
Joint return? See instructions. ▶			Distributor		
Keep a copy for your records. ▶		Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
			Executive Assistant		
<b>Paid Preparer's Use Only</b>		Preparer's signature ▶ <i>Frank V. Jones</i> Date 10/12/07 Check if self-employed <input checked="" type="checkbox"/>			
Firm's name (or yours, self-empl address, ZIP code)		Frank V. Jones, CPA			

See Statement J

6,156.

Form 1040 (2006)

FED0112L 11/07/06

Bax 000161

CONFIDENTIAL

Form **2210**Department of the Treasury  
Internal Revenue Service

Name(s) shown on tax return

**Underpayment of  
Estimated Tax by Individuals, Estates, and Trusts**▶ See separate instructions.  
▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

OMB No. 1545-0140

**2006**Attachment  
Sequence No. 06**Lew E and Susan R Baxter****Do You Have To File Form 2210?**

Complete lines 1 through 7 below. Is line 7 less than \$1,000?

Yes

Do not file Form 2210. You do not owe a penalty.

No

Complete lines 8 and 9 below. Is line 6 equal to or more than line 9?

Yes

You do not owe a penalty. Do not file Form 2210  
(but if box E below applies, you must file page 1 of  
Form 2210).

No

You may owe a penalty. Does any box in Part II below apply?

Yes

You must file Form 2210. Does box B, C, or D apply?

No

No

Yes

You must figure your penalty.

Do not file Form 2210. You are not required to figure your penalty  
because the IRS will figure it and send you a bill for any unpaid  
amount. If you want to figure it, you may use Part III or Part IV as a  
worksheet and enter your penalty amount on your tax return, but do  
not file Form 2210.You are not required to figure your penalty because the  
IRS will figure it and send you a bill for any unpaid  
amount. If you want to figure it, you may use Part III or  
Part IV as a worksheet and enter your penalty amount  
on your tax return, but file only page 1 of Form 2210.**Part I Required Annual Payment (see instructions).**

1	Enter your 2006 tax after credits from Form 1040, line 57 (or comparable line of your return).....	1	6,386.
2	Other taxes, including self-employment tax (see instructions).....	2	501.
3	Refundable credits. Enter the total of your earned income credit, additional child tax credit, credit for federal tax paid on fuels, and health coverage tax credit.....	3	0.
4	Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, see instructions.....	4	6,887.
5	Multiply line 4 by 90% (.90).....	5	6,198.
6	Withholding taxes. Do not include estimated tax payments. See instructions.....	6	1,048.
7	Subtract line 6 from line 4. If less than \$1,000, you do not owe a penalty; do not file Form 2210.....	7	5,839.
8	Maximum required annual payment based on prior year's tax (see instructions).....	8	5,371.
9	Required annual payment. Enter the smaller of line 5 or line 8.....	9	5,371.

Next: Is line 9 more than line 6?

☐ No. You do not owe a penalty. Do not file Form 2210 unless box E below applies.☒ Yes. You may owe a penalty, but do not file Form 2210 unless one or more boxes in Part II below applies.

• If box B, C, or D applies, you must figure your penalty and file Form 2210.

• If only box A or E (or both) applies, file only page 1 of Form 2210. You are not required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but file only page 1 of Form 2210.

**Part II Reasons for Filing. Check applicable boxes. If none apply, do not file Form 2210.**

- A ☐ You request a waiver (see instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B ☐ You request a waiver (see instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C ☐ Your income varied during the year and your penalty is reduced or eliminated when figured using the annualized income installment method. You must figure the penalty using Schedule AI and file Form 2210.
- D ☐ Your penalty is lower when figured by treating the federal income tax withheld from your wages as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- E ☐ You filed or are filing a joint return for either 2005 or 2006, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are not required to figure your penalty (unless box B, C, or D applies).

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 2210 (2006)

FD-20313L 01/30/07

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Form 2210 (2006) **Lew E and Susan R Baxter**

Page 2

**Part III Short Method**

You may use the short method if:

- You made no estimated tax payments (or your only payments were withheld federal income tax), or
- You paid estimated tax in equal amounts on your due dates.

**TIP:** You do not need to file Form 2210 unless you checked a box in Part II on page 1.

You must use the regular method (Part IV) instead of the short method if:

- You made any estimated tax payments late,
- You checked box C or D in Part II, or
- You are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding.

**Note:** If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.

10	Enter the amount from Form 2210, line 9.....	10	5,371.
11	Enter the amount, if any, from Form 2210, line 6.....	11	1,048.
12	Enter the total amount, if any, of estimated tax payments you made.....	12	
13	Add lines 11 and 12.....	13	1,048.
14	Total underpayment for year. Subtract line 13 from line 10. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box E on page 1.....	14	4,323.
15	Multiply line 14 by .05258 (use the factor shown in the instructions if you are eligible for Hurricane Katrina relief).....	15	227.
16	<ul style="list-style-type: none"> <li>• If the amount on line 14 was paid on or after 4/15/07, enter -0-.</li> <li>• If the amount on line 14 was paid before 4/15/07, make the following computation to find the amount to enter on line 16.</li> </ul>		
	Amount on line 14      x      Number of days paid before 4/15/07      x      .00022.....	16	0.
17	Penalty. Subtract line 16 from line 15. Enter the result here and on Form 1040, line 77; Form 1040A, line 48; Form 1040NR, line 75; Form 1040NR-EZ, line 27; or Form 1041, line 26.....	17	227.

Form 2210 (2006)

FD-2013L 01/20/07

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**SCHEDULE A**  
(Form 1040)**Itemized Deductions**

OMB No. 1545-0074

**2006**Attachment  
Sequence No. 07Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040.

▶ See instructions for Schedule A (Form 1040).

Name(s) shown on Form 1040

**Lew E and Susan R Baxter**

<b>Medical and Dental Expenses</b>		<b>Caution. Do not include expenses reimbursed or paid by others.</b>			
	1 Medical and dental expenses (see instructions)	1			
	2 Enter amount from Form 1040, line 38	2			
	3 Multiply line 2 by 7.5% (.075)	3			
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4			0.
<b>Taxes You Paid</b>	5 State and local income taxes	5	2,205.		
	6 Real estate taxes (see instructions)	6	434.		
	7 Personal property taxes	7			
(See instructions.)	8 Other taxes. List type and amount ▶	8			
	9 Add lines 5 through 8	9			2,639.
<b>Interest You Paid</b>	10 Home mtg interest and points reported to you on Form 1098. See St. 3	10	8,293.		
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶				
(See instructions.)					
	12 Points not reported to you on Form 1098. See instrs for spec rules	12			
	13 Investment interest. Attach Form 4952 if required. (See instrs.)	13			
Note. Personal interest is not deductible.	14 Add lines 10 through 13	14			8,293.
<b>Gifts to Charity</b>	15 Gifts by cash or check. If you made any gift of \$250 or more, see instrs. See Statement 4	15	1,630.		
If you made a gift and got a benefit for it, see instructions.	16 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500. See Statement 5	16	400.		
	17 Carryover from prior year	17			
	18 Add lines 15 through 17	18			2,030.
<b>Casualty and Theft Losses</b>	19 Casualty or theft loss(es). Attach Form 4684. (See instructions.)	19			0.
<b>Job Expenses and Certain Miscellaneous Deductions</b>	20 Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	20			
	21 Tax preparation fees	21			
(See instructions.)	22 Other expenses — investment, safe deposit box, etc. List type and amount ▶	22			
	23 Add lines 20 through 22	23			
	24 Enter amount from Form 1040, line 38	24			
	25 Multiply line 24 by 2% (.02)	25			
	26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	26			0.
<b>Other Miscellaneous Deductions</b>	27 Other — from list in the instructions. List type and amount ▶	27			0.
<b>Total Itemized Deductions</b>	28 Is Form 1040, line 38, over \$150,500 (over \$75,250 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.	28			12,962.
	29 If you elect to itemize deductions even though they are less than your standard deduction, check here ▶				

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

FD-1040 11/07/06

Schedule A (Form 1040) 2006

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**SCHEDULE C**  
**(Form 1040)****Profit or Loss From Business**  
**(Sole Proprietorship)**

OMB No. 1545-0074

**2006**Attachment  
Sequence No. **09**Department of the Treasury  
Internal Revenue Service (99)Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.  
Attach to Form 1040, 1040NR, or 1041. See instructions for Schedule C (Form 1040).

Name of proprietor

Lew E Baxter

A Principal business or profession, including product or service (see instructions)

Distributor

B Enter code from instructions

424990

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.)  
City, town or post office, state, and ZIP codeF Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) \_\_\_\_\_G Did you 'materially participate' in the operation of this business during 2006? If 'No,' see instructions for limit on losses. ☒ Yes ☐ NoH If you started or acquired this business during 2006, check here ☐ ☐**Part I Income**

1 Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. <input checked="" type="checkbox"/>	1	81,668.
2 Returns and allowances	2	
3 Subtract line 2 from line 1.	3	81,668.
4 Cost of goods sold (from line 42 on page 2).	4	
5 Gross profit. Subtract line 4 from line 3.	5	81,668.
6 Other income, including federal and state gasoline or fuel tax credit or refund.	6	
7 Gross income. Add lines 5 and 6.	7	81,668.

**Part II Expenses.** Enter expenses for business use of your home only on line 30.

8 Advertising	8	73.	18 Office expense	18	17.
9 Car and truck expenses (see instructions)	9	7,040.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):	20a	
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20b	
12 Depletion	12		b Other business property	21	2,535.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	22	333.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	23	
15 Insurance (other than health)	15	3,266.	23 Taxes and licenses	24	
16 Interest:			24 Travel, meals, and entertainment:	24a	
a Mortgage (paid to banks, etc.)	16a	2,809.	a Travel	24b	491.
b Other	16b		b Deductible meals and entertainment	25	
17 Legal & professional services	17		25 Utilities	26	
18 Office expense	18	17.	26 Wages (less employment credits)	27	17,776.
19 Pension and profit-sharing plans	19		27 Other expenses (from line 48 on page 2)		
20 Rent or lease (see instructions):					
a Vehicles, machinery, and equipment					
b Other business property					
21 Repairs and maintenance					
22 Supplies (not included in Part III)					
23 Taxes and licenses					
24 Travel, meals, and entertainment:					
a Travel					
b Deductible meals and entertainment					
25 Utilities					
26 Wages (less employment credits)					
27 Other expenses (from line 48 on page 2)					

28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28	34,340.
29 Tentative profit (loss). Subtract line 28 from line 7.	29	47,328.
30 Expenses for business use of your home. Attach Form 8829.	30	
31 Net profit or (loss). Subtract line 30 from line 29.	31	47,328.

• If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☐ All investment is at risk.32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule C (Form 1040) 2006

FD-20112L 11/03/06

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Schedule C (Form 1040) 2006 Lew E Baxterpage 2**Part II Cost of Goods Sold** (see instructions)

33 Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation.	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation.	35
36 Purchases less cost of items withdrawn for personal use.	36
37 Cost of labor. Do not include any amounts paid to yourself.	37
38 Materials and supplies.	38
39 Other costs.	39
40 Add lines 35 through 39.	40
41 Inventory at end of year.	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.	42

**Part III Information on Your Vehicle.** Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) \_\_\_\_\_

44 Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for:  
a Business \_\_\_\_\_ b Commuting (see instructions) \_\_\_\_\_ c Other \_\_\_\_\_

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

47 a Do you have evidence to support your deduction? ☐ Yes ☐ No  
b If "Yes," is the evidence written? ☐ Yes ☐ No

**Part IV Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

See Statement 6

48 Total other expenses. Enter here and on page 1, line 27.	48	17,776.
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Schedule C (Form 1040) 2006

FD-20112, 11/03/06

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**SCHEDULE SE**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Self-Employment Tax**

OMB No. 1545-0074

**2006**Attachment  
Sequence No. 17

▶ Attach to Form 1040. ▶ See instructions for Schedule SE (Form 1040).

Name of person with self-employment income (as shown on Form 1040)

Lew E BaxterSocial security number of person  
with self-employment income ▶**Who Must File Schedule SE**

You must file Schedule SE if:

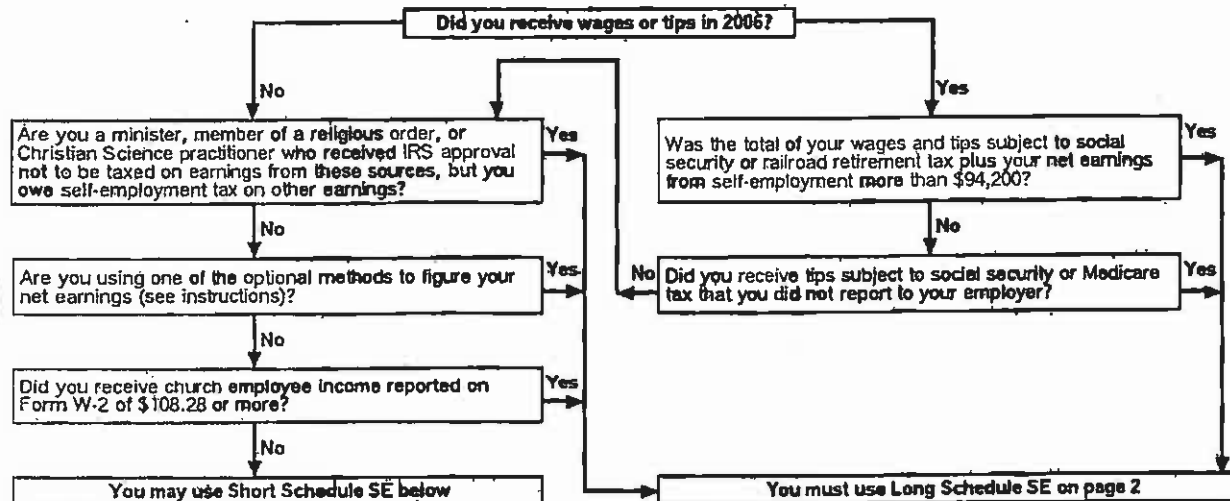
- You had net earnings from self-employment from other than church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, or
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is not church employee income (see instructions).

**Note.** Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either 'optional method' in Part II of Long Schedule SE (see instructions).

**Exception.** If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, do not file Schedule SE. Instead, write 'Exempt - Form 4361' on Form 1040, line 58.

**May I Use Short Schedule SE or Must I Use Long Schedule SE?**

**Note.** Use this flowchart only if you must file Schedule SE. If unsure, see Who Must File Schedule SE, above.

**Section A – Short Schedule SE.** Caution. Read above to see if you can use Short Schedule SE.

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A .....	1	
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for amounts to report on this line. See instructions for other income to report .....	2	3,548.
3	Combine lines 1 and 2 .....	3	3,548.
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax .....	4	3,277.
5	Self-employment tax. If the amount on line 4 is: • \$94,200 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 58. • More than \$94,200, multiply line 4 by 2.9% (.029). Then, add \$11,680.80 to the result. Enter the total here and on Form 1040, line 58. ....	5	501.
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27 .....	6	251.

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Schedule SE (Form 1040) 2006

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Form **4562**Department of the Treasury  
Internal Revenue Service**Depreciation and Amortization**  
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

**2006**Attachment  
Sequence No. **67**

Name(s) shown on return

**Lew E and Susan R Baxter**

Business or activity to which this form relates

**Schedule C - Lew E Baxter****Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	<b>\$108,000.</b>
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	<b>\$430,000.</b>
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2005 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2007. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation** (Do not include listed property.) (See instructions.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation** (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2006	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B - Assets Placed in Service During 2006 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

**Section C - Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System**

20a Class life				S/L	
b 12-year		12 yrs		S/L	
c 40-year		40 yrs	MM	S/L	

**Part IV Summary** (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FD-200 (2-05/22/06)

Form 4562 (2006)

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Form 4562 (2006) **Lew E and Susan R Baxter**

Page 2

**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A – Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?					Yes	No	24b If 'Yes,' is the evidence written?		Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).							25			
26 Property used more than 50% in a qualified business use:										
27 Property used 50% or less in a qualified business use:										
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28			
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29			

**Section B – Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

**Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42 Amortization of costs that begins during your 2006 tax year (see instructions):						
43 Amortization of costs that began before your 2006 tax year					43	2,857.
44 Total. Add amounts in column (f). See instructions for where to report					44	2,857.

FD-20112, 06/22/06

Form 4562 (2006)

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2006

## Federal Statements

Page 1

Lew E and Susan R Baxter

Statement 1  
Form 1040  
Wage Schedule

<u>Taxpayer - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi- care</u>	<u>State W/H</u>	<u>Local W/H</u>
Flowers Baking Co of Opelika LLC	81,668.		2,806.	656.		
Total	81,668.	0.	2,806.	656.	0.	0.
<u>Spouse - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi- care</u>	<u>State W/H</u>	<u>Local W/H</u>
inc	28,623.	1,048.	1,775.	415.	891.	
Total	28,623.	1,048.	1,775.	415.	891.	0.
Grand Total	110,291.	1,048.	4,581.	1,071.	891.	0.

Statement 2  
Form 1040, Line 21  
Other Income

Huntingdon College.....	\$	850.
Roman Meal Company.....		2,698.
Total	\$	3,548.

Statement 3  
Schedule A, Line 10  
Home Mortgage Interest Reported on Form 1098

Total \$ 8,293.  
Total \$ 8,293.

Statement 4  
Schedule A, Line 15  
Contributions by Cash or Check

Auburn University.....	\$	400.
East Memorial Baptist Church.....		620.
Various Charities.....		610.
Total	\$	1,630.

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2006

## Federal Statements

Page 2

Lew E and Susan R Baxter

Statement 5  
Schedule A, Line 16  
Contributions Other than Cash

Salvation Army.....		400.
Total	\$	<u>400.</u>

Statement 6 - Distributor  
Schedule C, Part V  
Other Expenses

Administration.....	\$	936.
Amortization.....		2,857.
Casual Labor.....		5,870.
Dues and Subscriptions.....		76.
Equipment Rental.....		1,371.
Other Operating Expenses.....		2,850.
PBS Shrink Charge.....		28.
Relief Driver.....		447.
Telephone.....		1,809.
Uniforms.....		180.
Warehouse Rent/Utilities.....		1,352.
Total	\$	<u>17,776.</u>

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Form **4868**Department of the Treasury  
Internal Revenue Service**Application for Automatic Extension of Time  
To File U.S. Individual Income Tax Return**

For calendar year 2006, or other tax year beginning

, 2006, ending

OMB No. 1545-0074

**2006****Part I Identification**

1 Your name(s) (see instructions)

Lew E Baxter

City, town or post office

Opelika, AL 36801

State ZIP code

Number

**Part II Individual Income Tax**4 Estimate of total tax liability  
for 2006..... \$

0.

5 Total 2006 payments.....

0.

6 Balance due. Subtract line 5  
from line 4 (see instructions).....

0.

7 Amount you are paying  
(see instructions).....

0.

8 Check here if you are "out of the country" and a  
U.S. citizen or resident (see instructions)..... ☐9 Check here if you file Form 1040NR or 1040NR-EZ and  
did not receive wages as an employee subject to U.S.  
income tax withholding..... ☐

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form 4868 (2005)

▲ Detach Here ▲

Mail Form 4868 to:

Internal Revenue Service  
Atlanta, GA 39901-0002

FDIA4601L 10/27/06

Bax 000172

CONFIDENTIAL

**FORM 40** Alabama  
Individual Income  
Tax Return  
RESIDENTS AND  
PART-YEAR RESIDENTS

For the year Jan 1 - Dec 31, 2006, or other tax year: 2006

• **Lew E Baxter**

Spouse's first name: **Susan R Baxter**

P.O. Box number:

State: **AL** ZIP Code: **36022**

• **Deatsville, AL 36022**

Filing Status and Exemptions	1 • <input type="radio"/> \$1,500 Single	5 Name	•
	2 • <input checked="" type="radio"/> \$3,000 Married filing joint return (even if only one spouse had income)	SSN	•
	3 • <input type="radio"/> \$1,500 Married filing separate returns. Complete line 5 with spouse's name and SSN.	Relationship	•
Check only one box.	4 • <input type="radio"/> \$3,000 Head of family (with qualifying person). (See instructions.) Complete line 5.		
6 Wages, salaries, tips, etc. (list each employer and address separately)	A - Alabama tax withheld		
	6a • <b>891.00</b>	6a	B - Income <b>28,623.00</b>
	6b • <b>00</b>	6b	<b>00</b>
	6c • <b>00</b>	6c	<b>00</b>
	6d • <b>00</b>	6d	<b>00</b>
Income and Adjustments	7 Interest and dividend income (also attach Schedule B if over \$1,500)	7	<b>00</b>
	8 Other income (from page 2, Part I, line 9)	8	<b>50,876.00</b>
	9 Total income. Add amounts in the income column for line 6a through line 8.	9	<b>79,499.00</b>
	10 Total adjustments to income (from page 2, Part II, line 8)	10	<b>2,117.00</b>
	11 Adjusted gross income. Subtract line 10 from line 9.	11	<b>77,382.00</b>
Deductions	12 Check box a, if you itemize deductions, & enter amount from Schedule A, line 16.	Box a or b MUST be checked	
	Check box b, if you do not itemize deductions, and enter standard deduction (see instructions).	12	<b>16,543.00</b>
	• <input checked="" type="radio"/> a Itemized Deductions • <input type="radio"/> b Standard Deduction		
	13 Federal tax deduction (see instructions)	13	<b>6,386.00</b>
	DO NOT ENTER FEDERAL TAX WITHHELD FROM YOUR FORM W-2(S)		
	14 Personal exemption (from line 1, 2, 3, or 4)	14	<b>3,000.00</b>
	15 Dependent exemption (from page 2, Part III, line 2)	15	<b>300.00</b>
	16 Total deductions. Add lines 12, 13, 14, and 15.	16	<b>26,229.00</b>
	17 Taxable income. Subtract line 16 from line 11.	17	<b>51,153.00</b>
	18 Income Tax due. Enter here and check if from: • <input type="checkbox"/> Form NOL-85A	18	<b>2,478.00</b>
	19 Less credits from: • <input type="checkbox"/> Schedule CR and/or • <input type="checkbox"/> Schedule OC	19	<b>00</b>
	20a Net tax due Alabama. Subtract line 19 from line 18.	20a	<b>2,478.00</b>
	b Consumer Use Tax (use worksheet in the instructions)	20b	<b>00</b>
	21 Alabama Election Campaign Fund. You may make a voluntary contribution to the following:		
	a Alabama Democratic Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input checked="" type="checkbox"/> none	21a	<b>00</b>
	b Alabama Republican Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input checked="" type="checkbox"/> none	21b	<b>00</b>
	22 Total tax liability and voluntary contribution. Add lines 20a, 20b, 21a, and 21b.	22	<b>2,478.00</b>
	23 Alabama income tax withheld (from Forms W-2, W-26, and/or 1099)	23	<b>891.00</b>
Payments	24 Amount paid with extension (attach Form 4868A)	24	<b>00</b>
	25 2006 estimated tax payments (see instructions)	25	<b>00</b>
	26 Total payments. Add lines 23 through 25.	26	<b>891.00</b>
AMOUNT YOU OWE	27 If line 22 is larger than line 26, subtract line 26 from line 22, and enter AMOUNT YOU OWE. Place payment, along with Form 40V, loose in mailing envelope. (FORM 40V MUST ACCOMPANY PAYMENT.)	27	<b>1,746.00</b>
	28 Estimated tax penalty. Also include on line 27 (see instructions)	28	<b>159.00</b>
OVERPAID	29 If line 26 is larger than line 22, subtract line 22 from line 26, & enter amount OVERPAID	29	<b>00</b>
	30 Amount of line 29 to be applied to your 2007 estimated tax	30	<b>00</b>
Donation Check-offs	31 Total Donation Check-offs from Schedule DC, line 2	31	<b>00</b>
	32 Total. Add line 30 and line 31	32	<b>00</b>
REFUND	33 REFUNDED TO YOU. (CAUTION: You must sign this return on page 2.) Subtract line 32 from line 29. For Direct Deposit, check here • <input type="checkbox"/> and complete Part V, Page 2	33	<b>00</b>

If an addressed envelope came with your return, please use it and follow the instructions on the envelope. If you do not have one, mail your return to one of the addresses below.

If you are not making a payment, mail your return to:

Alabama Department of Revenue  
P.O. Box 154  
Montgomery, Alabama 36133-0001

If you are making a payment, mail your return, Form 40V, and payment to:

Alabama Department of Revenue  
P.O. Box 2401  
Montgomery, Alabama 36140-0001

Mail only your 2006 Form 40 to one of the above addresses. Prior year returns, amended returns, and all other correspondence should be mailed to Alabama Department of Revenue, P.O. Box 327464, Montgomery, AL 36132-7464.

Late penalties & interest

AL1AD112L 11/08/06 \$ 26.

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FORM 40 (2006) **Lew E and Susan R Baxter**

PAGE 2

Other Income (see instructions)	1	Alimony received.....	1	•	00
	2	Business income or (loss) (attach Federal Schedule C or C-EZ).....	2	•	47,328 00
	3	Gain or (loss) from sale of Real Estate, Stocks, Bonds, etc (attach Schedule D).....	3	•	00
	4a	Total IRA distributions.....	4a	•	00
	4b	Taxable amount (see instructions).....	4b	•	00
	5a	Total pensions & annuities.....	5a	•	00
	5b	Taxable amount (see instructions).....	5b	•	00
	6	Rents, royalties, partnerships, estates, trusts, etc (attach Schedule E).....	6	•	00
7	Farm income or (loss) (attach Federal Schedule F).....	7	•	00	
8	Other income (state nature and source — see instructions).....	8	•	3,548 00	
See Statement 1					
9	Total other income. Add lines 1 through 8. Enter here and also on page 1, line 8.....	9	•	50,876 00	

Adjustments to Income (see instructions)	1a	Your IRA deduction.....	1a	•	00
	1b	Spouse's IRA deduction.....	1b	•	00
	2	Payments to a Keogh retirement plan and self-employment SEP deduction.....	2	•	00
	3	Penalty on early withdrawal of savings.....	3	•	00
	4	Alimony paid. Recipient's last name..... SSN.....	4	•	00
	5	Adoption expenses.....	5	•	00
	6	Moving Expenses (att Federal Form 3903) to City..... State..... ZIP.....	6	•	00
	7	Self-employed health insurance deduction.....	7	•	2,117 00
8	Total adjustments. Add lines 1 through 7. Enter here and also on page 1, line 10.....	8	•	2,117 00	

Dependents  Do not include yourself or your spouse (see instructions)	1a	Dependents:	(1) First name	Last name	(2) Dependent's social security number.	(3) Dependent's relationship to you.	(4) Did you provide more than one-half dependent's support?
							Yes
b	Total number of dependents claimed above.....						1
2	Amount allowed. (Multiply \$300 by the total number of dependents claimed on line 1b.) Enter amount here and on page 1, line 15.....	2	•	300 00			

General Information	1	Residency	• <input checked="" type="checkbox"/> Full Year If you were a part-year resident of AL during 2006, indicate your period of residence: Check only one box • <input type="checkbox"/> Part Year From 2006 through 2006. Total months
	2	Did you file an Alabama income tax return for the year 2005?...	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	3	If no, state reason.....	
	4	Give name and address of present employer(s): Yours _____ Your spouse's _____ and Federal Taxable Income • \$ 54,269.	
	5	Enter the amount of your 2006 federal income tax refund.....	
All Taxpayers Must Complete This Section	6	Do you have income which is reported on your Federal return, but not reported on your AL return (other than your state tax refund)?... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, enter source(s) and amount(s) below: (other than state income tax refund)	
	Source	Amount	00
	Source	Amount	00
7	Do you have income included in this return from a grantor trust?...	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

PART V Direct Deposit	For Direct Deposit of your refund, complete 1, 2, and 3 below. (See Instructions to see if you qualify.)	
	1 Routing Number: _____	2 Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
	3 Account Number: _____	

Sign Here  Keep a copy of this return for your records.	• <input checked="" type="checkbox"/> I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer. Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Your signature	Date	Daytime telephone number	Your occupation
	Spouse's Signature (if joint return, BOTH must sign)	Date	Daytime telephone number	Spouse's occupation
	Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>	
	Firm's name (or yours if self-employed)			

Paid Preparer's Use Only	Opelika, AL	ZIP Code 36801
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**SCHEDULES**  
**A, B, CR, & DC**  
**(FORM 40)**

ALABAMA DEPARTMENT OF REVENUE  
**Schedule A — Itemized Deductions 2006**

(Schedules B, CR and DC are on page 2)  
**ATTACH TO FORM 40 — SEE INSTRUCTIONS FOR SCHEDULE A**

Name(s) as shown on Form 40

Lew E and Susan R Baxter

The itemized deductions you may claim for the year 2006 are similar to the itemized deductions claimed on your federal return, however, the amounts may differ. Please see instructions before completing this schedule. **PART-YEAR RESIDENTS:** A resident of Alabama for only a part of the year should list below only those deductions actually paid while a resident of Alabama.

<b>CAUTION: Do not include expenses reimbursed or paid by others.</b>			
<b>Medical and Dental Expenses</b> (See instructions)	1 Medical and dental expenses	1	00
	2 Enter amount from Form 40, line 11	2	00
	3 Multiply the amount on line 2 by 4% (.04). Enter the result	3	00
	4 Subtract line 3 from line 1. Enter the result. If zero or less, enter -0-	4	0 00
<b>Taxes You Paid</b> (See instructions)	5 Real estate taxes	5	434 00
	6 FICA Tax (Social Security & Medicare) and Federal Self-Employment Tax	6	5,786 00
	7 Railroad Retirement (Tier 1 only)	7	00
	8 Other taxes. (List — include personal property taxes.)	8	00
	9 Add the amounts on lines 5 through 8. Enter the total here	9	6,220 00
<b>Interest You Paid</b> (See instructions)	10a Home mortgage interest & points reported to you on Federal Form 1098	10a	8,293 00
	See Statement 2		
	b Home mortgage int not reported to you on Fed Form 1098. (If paid to an individual, show that person's name & addr.)		
	10b	00	
<b>NOTE:</b> Personal interest is not deductible.	11 Points not reported to you on Form 1098	11	00
	12 Investment interest (Attach Form 4952A)	12	00
	13 Add the amounts on lines 10a through 12. Enter the total here	13	8,293 00
	<b>CAUTION: If you made a charitable contribution and received a benefit in return, see instructions.</b>		
<b>Gifts to Charity</b> (See instructions)	14 Contributions by cash or check. See Statement 3	14	1,630 00
	15 Other than cash or check. (You MUST att Fed Form 8283 if over \$500.)	15	400 00
	16 Carryover from prior year. See Statement 4	16	00
	17 Add the amounts on lines 14 through 16. Enter the total here	17	2,030 00
<b>Casualty and Theft Loss</b> (Attach Form 4684)	18a Enter the amount from Federal Form 4684, line 16 (See instructions)	18a	00
	b Enter 10% of your adjusted gross income (Form 40, line 11)	18b	00
	c Subtract line 18b from line 18a. If zero or less, enter -0-	18c	0 00
	19 Unreimbursed employee expenses — job travel, union dues, job education, etc (You MUST attach Federal Form 2106 if required. See instructions.)	19	00
<b>Job Expenses and Most Other Miscellaneous Deductions</b> (See instructions)	20 Other expenses (investment, tax preparation, safe deposit box, etc). List type and amount	20	00
	21 Add the amounts on lines 19 and 20. Enter the total	21	00
	22 Multiply the amount on Form 40, line 11 by 2% (.02). Enter the result here	22	00
	23 Subtract line 22 from line 21. Enter the result. If zero or less, enter -0-	23	0 00
<b>Other Miscellaneous Deductions</b>	24 Other (from list in instructions). List type and amount	24	0 00
<b>Qualified Long-Term Care Ins Premiums</b>	<b>CAUTION: Do not include medical premiums.</b>		
	25 Enter amount here	25	0 00
<b>Total Itemized Deductions</b>	26 Add the amounts on lines 4, 9, 13, 17, 18c, 23, 24, and 25. Enter the total here. Then enter on Form 40, page 1, line 12	26	16,543 00

Schedule A (Form 40) 2006  
AL30

ALJAN2011 10/13/06

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FORM  
2210AL

2006

ALABAMA DEPARTMENT OF REVENUE  
**Estimated Tax Penalties for Individuals**  
SEE SEPARATE INSTRUCTIONS • ATTACH TO FORM 40 OR FORM 40NR

Name(s) as shown on tax return

Lew E and Susan R Baxter

If all of the following apply, complete Part I only. If A, B and C apply, but D does not, skip Part I and complete Part II. Under no circumstances will you be subject to both penalties

- A You had income other than wages or salaries in excess of \$3,750.00 for taxpayers filing joint returns, or \$1,875.00 for single taxpayers (including head of family or married filing separately);
- B The amount of tax you owe (line 27 of Form 40 or line 26 of Form 40NR) without regard to any payments made with extension exceeds \$100.00; and
- C You did not pay in through withholding or estimated tax payments either 100% of your previous year's tax liability or 90% of your current year's tax liability; and
- D You did not make any quarterly estimated tax payments for 2006.

**PART I Estimated Tax Penalty**

1 Enter your 2006 net tax due after credits (line 20a of Form 40 or line 21 of Form 40NR) .....	1	2,478.00
2 Enter the net tax due as shown on your 2005 return (line 20a of Form 40 or line 21 of Form 40NR) .....	2	2,158.00
3 Enter all Alabama income tax withheld for 2006. If line 3 is greater than or equal to line 2, STOP, you do not owe the penalty .....	3	891.00
4 Total underpayment for the year. Subtract line 3 from line 1. If zero or less, stop here, you do not owe this penalty .....	4	1,587.00
5 If the amount on line 4 is less than \$500.00, enter \$50.00, if not, multiply the amount on line 4 by 10% (.10) and enter the result here and on line 28 of Form 40 or line 27 of Form 40NR. This is your estimated tax penalty .....	5	159.00

**PART II Underestimation Penalty****Section A - Required Annual Payment.** Complete this section if you made estimated tax payments for 2006 and the tax due on your 2006 return exceeded \$100.00.

1 Enter your 2006 net tax due after credits from line 20a of Form 40 or line 21 of Form 40NR .....	1	00
2 Multiply line 1 by 90% (.90) .....	2	00
3 Enter the net tax due as shown on your 2005 return (line 20a of Form 40 or line 21 of Form 40NR) .....	3	00
4 Alabama Income Tax Withheld for 2006. Do not include any estimated tax payments on this line .....	4	00
5 Estimated taxes paid for 2006 .....	5	00
6 Add lines 4 and 5. Enter result here ...	6	00
If line 6 is greater than or equal to lines 2 or 3, STOP HERE, you do not owe this penalty. DO NOT FILE Form 2210AL.		
7 Subtract line 4 from line 1. This is your Required Annual Payment. If less than \$100.00, stop here; do not complete or file this form. You do not owe the penalty .....	7	00

**Section B - Short Method.** If your income varied during the year, you may want to calculate this penalty using the Quarterly Method on page 2 of this form.

8 Required Annual Payment for 2006 (from line 7, Part II above) .....	8	00
9 Estimated taxes paid for 2006 (from line 5, Part II above) .....	9	00
10 Total underpayment for year. Subtract line 9 from line 8. If zero or less, stop here; you do not owe the penalty .....	10	00
11 Multiply line 10 by .06 .....	11	00
12 • If the amount on line 10 was paid on or after 4/15/07, enter -0-.		
• If the amount on line 10 was paid before 4/15/07, make the following computation to find the amount to enter on line 12.		
Amount on line 10 X Number of days paid before 4/15/07 X .00016 .....	12	0.00
13 Penalty. Subtract line 12 from line 11. Enter the result here and on line 28 of Form 40 or line 27 of Form 40NR .....	13	00

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AL30 Form 2210AL (2006)

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**SCHEDULE C**  
(Form 1040)**Profit or Loss From Business**  
(Sole Proprietorship)

OMB No. 1545-0074

**2006**Attachment  
Sequence No. 09Department of the Treasury  
Internal Revenue Service (99)

Revised for Alabama

Partnerships, joint ventures, etc. must file Form 1065 or 1065-B.  
Attach to Form 1040, 1040NR, or 1041. See instructions for Schedule C (Form 1040).

Name of proprietor

Lew E Baxter

A Principal business or profession, including product or service (see instructions)

Distributor

C Business name, if no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.)  
City, town or post office, state, and ZIP codeF Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶G Did you 'materially participate' in the operation of this business during 2006? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2006, check here ▶

**Part I Income**

1 Gross receipts or sales. <b>Caution.</b> If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here. <input checked="" type="checkbox"/>	1	81,668.
2 Returns and allowances	2	
3 Subtract line 2 from line 1.	3	81,668.
4 Cost of goods sold (from line 42 on page 2).	4	
5 Gross profit. Subtract line 4 from line 3.	5	81,668.
6 Other income, including federal and state gasoline or fuel tax credit or refund.	6	
7 Gross income. Add lines 5 and 6.	7	81,668.

**Part II Expenses.** Enter expenses for business use of your home only on line 30.

8 Advertising	8	73.	18 Office expense	18	17.
9 Car and truck expenses (see instructions)	9	7,040.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	2,535.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	333.
15 Insurance (other than health)	15	3,266.	23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a	2,809.	a Travel	24a	
b Other	16b		b Deductible meals and entertainment	24b	491.
17 Legal & professional services	17		25 Utilities	25	
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28	34,340.	26 Wages (less employment credits)	26	
29 Tentative profit (loss). Subtract line 28 from line 7.	29	47,328.	27 Other expenses (from line 48 on page 2)	27	17,776.
30 Expenses for business use of your home. Attach Form 8829.	30				
31 Net profit or (loss). Subtract line 30 from line 29.	31	47,328.			

• If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2006

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Schedule C (Form 1040) 2006 Lew E Baxter

Page 2

**Part II Cost of Goods Sold** (see instructions)33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?  
If "Yes," attach explanation.☐ Yes ☐ No35 Inventory at beginning of year. If different from last year's closing inventory,  
attach explanation

35

36 Purchases less cost of items withdrawn for personal use

36

37 Cost of labor. Do not include any amounts paid to yourself

37

38 Materials and supplies

38

39 Other costs

39

40 Add lines 35 through 39

40

41 Inventory at end of year

41

42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4

42

**Part IV Information on Your Vehicle.** Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year)

44 Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for:

a Business b Commuting (see instructions) c Other

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No46 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No47 a Do you have evidence to support your deduction? ☐ Yes ☐ Nob If "Yes," is the evidence written? ☐ Yes ☐ No**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

See Statement 5

48 Total other expenses. Enter here and on page 1, line 27

48

17,776.

Schedule C (Form 1040) 2006

FD-20112L 11/03/06

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2006

## Alabama Statements

Page 1

Lew E and Susan R Baxter

Statement 1  
Form 40, Part I, Line 8  
Other Income

Huntingdon College.....	\$	850
Roman Meal Company.....		2,698
Total	\$	<u>3,548</u>

Statement 2  
Schedule A, Line 10a  
Home Mortgage Interest/Points Reported to You

Total	\$	8,293
Total	\$	<u>8,293</u>

Statement 3  
Schedule A, Line 14  
Contributions by Cash or Check

Auburn University.....	\$	400
East Memorial Baptist Church.....		620
Various Charities.....		610
Total	\$	<u>1,630</u>

Statement 4  
Schedule A, Line 15  
Contributions other than Cash/Check

Salvation Army.....	\$	400
Total	\$	<u>400</u>

Statement 5 - Distributor  
Schedule C, Part V  
Other Expenses

Administration.....	\$	936.
Amortization.....		2,857.
Casual Labor.....		5,870.
Dues and Subscriptions.....		76.
Equipment Rental.....		1,371.
Other Operating Expenses.....		2,850.
PBS Shrink Charge.....		28.
Relief Driver.....		447.
Telephone.....		1,809.
Uniforms.....		180.
Warehouse Rent/Utilities.....		1,352.
Total	\$	<u>17,776.</u>

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Form 1040 (2006) **Lew E and Susan R Baxter**

2

**Tax and Credits****Standard Deduction for —**

• People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

## • All others:

Single or Married filing separately, \$5,150

Married filing jointly or Qualifying widow(er), \$10,300

Head of household, \$7,550

38 Amount from line 37 (adjusted gross income) 38 77,131.

39a Check if: ☐ You were born before January 2, 1942, ☐ Blind. Total boxes ☐  
☐ Spouse was born before January 2, 1942, ☐ Blind. checked 39a ☐  
 b If your spouse itemizes on a separate return, or you were a dual-status alien, see instrs and ck here. 39b ☐

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 12,962.

41 Subtract line 40 from line 38. 41 64,169.

42 If line 38 is over \$112,375, or you provided housing to a person displaced by Hurricane Katrina, see instructions. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d. 42 9,900.

43 Taxable income. Subtract line 42 from line 41. 43 54,269.

44 Tax (see instrs). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972 44 7,386.

45 Alternative minimum tax (see instructions). Attach Form 6251. 45 0.

46 Add lines 44 and 45. 46 7,386.

47 Foreign tax credit. Attach Form 1116 if required. 47

48 Credit for child and dependent care expenses. Attach Form 2441. 48

49 Credit for the elderly or the disabled. Attach Schedule R. 49

50 Education credits. Attach Form 8863. 50

51 Retirement savings contributions credit. Attach Form 8880. 51

52 Residential energy credits. Attach Form 5695. 52

53 Child tax credit (see instructions). Attach Form 8801 if required. 53 1,000.

54 Credits from: a ☐ Form 8396 b ☐ Form 8339 c ☐ Form 8859. 5455 Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Form 8801 55

56 Add lines 47 through 55. These are your total credits. 56 1,000.

57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-. 57 6,386.

58 Self-employment tax. Attach Schedule SE. 58 501.

**Other Taxes**

59 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137. 59

60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required. 60

61 Advance earned income credit payments from Form(s) W-2, box 9. 61

62 Household employment taxes. Attach Schedule H. 62

63 Add lines 57-62. This is your total tax. 63 6,887.

**Payments**

If you have a qualifying child, attach Schedule EIC.

64 Federal income tax withheld from Forms W-2 and 1099. 64 1,048.

65 2006 estimated tax payments and amount applied from 2005 return. 65

66a Earned income credit (EIC). 66a

b Nonrefundable combat pay election. 66b

67 Excess social security and tier 1 RRTA tax withheld (see instructions). 67

68 Additional child tax credit. Attach Form 8812. 68

69 Amount paid with request for extension to file (see instructions). 69

70 Payments from: a ☐ Form 2439 b ☐ Form 4136 c ☐ Form 8885 70

71 Credit for federal telephone excise tax paid. Attach Form 8913 if required. 71 50.

72 Add lines 64, 65, 66a, and 67 through 71. These are your total payments. 72 1,098.

**Refund**

Direct deposit? See instructions and fill in 74b, 74c, and 74d or Form 8888.

73 If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid. 73

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here. 74a

b Routing number. c Type: ☐ Checking ☐ Savings

d Account number.

75 Amount of line 73 you want applied to your 2007 estimated tax. 75

**Amount You Owe**

76 Amount you owe. Subtract line 72 from line 63. For details on how to pay, see instructions. 76 6,016.

77 Estimated tax penalty (see instructions). 77 227.

**Third Party Designee**Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following. ☐ NoDesignee's name: **Preparer** Phone no. Personal identification number (PIN)**Sign Here**

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation Daytime phone number

Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

Executive Assistant

Preparer's SSN or PTIN

**Paid Preparer's Use Only**Preparer's signature: **Frank V. Jones CPA** Date: **10/12/07** Check if self-employed ☒

Firm's name (or yours if self-employed), address, and ZIP code EIN

Phone no.

See Statement 3

6,156..

Form 1040 (2006)

FDIA0112L 11/07/06

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Bax 000180

Frank V. Jones, CPA 87-0702621

This form is also available to be filed online at [www.alabamainteractive.org/taxextension/](http://www.alabamainteractive.org/taxextension/)

DETACH ALONG THIS LINE AND MAIL VOUCHER WITH YOUR FULL PAYMENT

FORM  
4868A 2006



ALJ20101L 10/21/06

ALABAMA DEPARTMENT OF REVENUE  
Application For Extension of Time To File Alabama Income Tax Returns  
For the year January 1–December 31, 2006, or other tax year

beginning 2006, ending

Your first name and initial (if joint return, also give spouse's first name and initial) Last name

• Lew E and Susan R Baxter

number

City, town or post office, state, zip code

Deatsville, AL 36022

FEIN (Form 41 or 65)

1 An application is hereby made for a 6 month extension of time to file the following Alabama Income Tax Return:

• ☒ Form 40, 40A, E40, or 40NR • ☐ Partnership Form 65 • ☐ Fiduciary (Estate or Trust) Form 41

2 APPLICABLE TO FORMS 40, 40A, E40, 40NR, and 41 ONLY. If you anticipate owing additional tax when your return is filed, you may pay this amount with this application.

Enter amount paid here... \$ 0. Full payment of the amount entered must be paid with this application. Partial payments will not be accepted.

NOTE: THE APPLICATION FOR EXTENSION WILL NOT BE ACCEPTED IF POSTMARKED AFTER APRIL 16, 2007.

AL30

Bax 000181

CONFIDENTIAL

**BAXTER**  
**DEFENDANT'S EXHIBIT**  
**34**



DEPARTMENT: 081		CATEGORY: 0030 TORTILLAS		STORE: 1101										
SECTION: 63		STR 1101 4 FT TORTILLA SECTION												
<table border="1"> <tr> <td>0009575700126 LP WHITE CORN TORT 00126 71 OZ MS4</td> <td>1</td> <td>0007874205841 GV 6 JUMBO CORN 90CT 2841 82.5OZ GVOM1</td> <td>2</td> <td>0002733100070 LB 6 WHITE CRN 90CT 00070 82.5OZ OLE1</td> <td>3</td> <td>0004856400020 GUER TOSTADA AMARIL 20 14OZ MS4</td> <td>4</td> <td>0007373100760 MS TOSTADA CASERA 00760 14OZ MS4</td> </tr> </table>						0009575700126 LP WHITE CORN TORT 00126 71 OZ MS4	1	0007874205841 GV 6 JUMBO CORN 90CT 2841 82.5OZ GVOM1	2	0002733100070 LB 6 WHITE CRN 90CT 00070 82.5OZ OLE1	3	0004856400020 GUER TOSTADA AMARIL 20 14OZ MS4	4	0007373100760 MS TOSTADA CASERA 00760 14OZ MS4
0009575700126 LP WHITE CORN TORT 00126 71 OZ MS4	1	0007874205841 GV 6 JUMBO CORN 90CT 2841 82.5OZ GVOM1	2	0002733100070 LB 6 WHITE CRN 90CT 00070 82.5OZ OLE1	3	0004856400020 GUER TOSTADA AMARIL 20 14OZ MS4	4	0007373100760 MS TOSTADA CASERA 00760 14OZ MS4						
22 inch SHELF in Notch 61														
<table border="1"> <tr> <td>0002733101004 LB 8 NATURA CORN 36CT 10041 27OZ OLE1</td> <td>5</td> <td>0007874201870 GV 6 CORN TORT 30CT 2842 27.5OZ GVOM1</td> <td>6</td> <td>0009575700123 LP WHITE CORN TORT 00123 25OZ MS4</td> <td>7</td> <td>0002733100098 LB 8 FAT FREE 10CT 66666 13OZ OLE1</td> </tr> </table>						0002733101004 LB 8 NATURA CORN 36CT 10041 27OZ OLE1	5	0007874201870 GV 6 CORN TORT 30CT 2842 27.5OZ GVOM1	6	0009575700123 LP WHITE CORN TORT 00123 25OZ MS4	7	0002733100098 LB 8 FAT FREE 10CT 66666 13OZ OLE1		
0002733101004 LB 8 NATURA CORN 36CT 10041 27OZ OLE1	5	0007874201870 GV 6 CORN TORT 30CT 2842 27.5OZ GVOM1	6	0009575700123 LP WHITE CORN TORT 00123 25OZ MS4	7	0002733100098 LB 8 FAT FREE 10CT 66666 13OZ OLE1								
22 inch SHELF in Notch 51														
<table border="1"> <tr> <td>0007373100240 MS MULTI-GRN SFT TAC 00240 17.5OZ MS4</td> <td>10</td> <td>0007373100425 MS FEF SFT TACO TORTI 425 17.5OZ MS4</td> <td>11</td> <td>0002514700485 LOW CARB MULTI GRAIN 00485 13.7OZ MS4</td> <td>12</td> <td>0002514700451 LOW CARB BASIC TORT 00451 12.7OZ MS4</td> </tr> </table>						0007373100240 MS MULTI-GRN SFT TAC 00240 17.5OZ MS4	10	0007373100425 MS FEF SFT TACO TORTI 425 17.5OZ MS4	11	0002514700485 LOW CARB MULTI GRAIN 00485 13.7OZ MS4	12	0002514700451 LOW CARB BASIC TORT 00451 12.7OZ MS4		
0007373100240 MS MULTI-GRN SFT TAC 00240 17.5OZ MS4	10	0007373100425 MS FEF SFT TACO TORTI 425 17.5OZ MS4	11	0002514700485 LOW CARB MULTI GRAIN 00485 13.7OZ MS4	12	0002514700451 LOW CARB BASIC TORT 00451 12.7OZ MS4								
22 inch SHELF in Notch 41														
<table border="1"> <tr> <td>0007373100285 MS JALAPENO CREODAR 00285 13OZ MS4</td> <td>14</td> <td>0002733100023 LB 8 LOW CARB 10CT 00023 12.8OZ OLE1</td> <td>15</td> <td>0002733100033 LB 8 SOFT TACO 10CT 00033 16OZ OLE1</td> <td>16</td> <td>0002733100036 LB 8 SPR BURRITO 10CT 00036 25OZ OLE1</td> </tr> </table>						0007373100285 MS JALAPENO CREODAR 00285 13OZ MS4	14	0002733100023 LB 8 LOW CARB 10CT 00023 12.8OZ OLE1	15	0002733100033 LB 8 SOFT TACO 10CT 00033 16OZ OLE1	16	0002733100036 LB 8 SPR BURRITO 10CT 00036 25OZ OLE1		
0007373100285 MS JALAPENO CREODAR 00285 13OZ MS4	14	0002733100023 LB 8 LOW CARB 10CT 00023 12.8OZ OLE1	15	0002733100033 LB 8 SOFT TACO 10CT 00033 16OZ OLE1	16	0002733100036 LB 8 SPR BURRITO 10CT 00036 25OZ OLE1								
22 inch SHELF in Notch 31														
<table border="1"> <tr> <td>0007373100830 MS FAJITA FLR TORT 00830 23OZ MS4</td> <td>18</td> <td>0007373100483 MS WHEAT TORTILLAS 283 17.5OZ MS4</td> <td>19</td> <td>00027331000320 LB 8 FAMILY PACK 20CT 00032 22.5OZ OLE1</td> <td>20</td> <td>0007225001751 MLCA 10 CT 8 S TAC FLOWER 722501751 15OZ FLO VM</td> </tr> </table>						0007373100830 MS FAJITA FLR TORT 00830 23OZ MS4	18	0007373100483 MS WHEAT TORTILLAS 283 17.5OZ MS4	19	00027331000320 LB 8 FAMILY PACK 20CT 00032 22.5OZ OLE1	20	0007225001751 MLCA 10 CT 8 S TAC FLOWER 722501751 15OZ FLO VM		
0007373100830 MS FAJITA FLR TORT 00830 23OZ MS4	18	0007373100483 MS WHEAT TORTILLAS 283 17.5OZ MS4	19	00027331000320 LB 8 FAMILY PACK 20CT 00032 22.5OZ OLE1	20	0007225001751 MLCA 10 CT 8 S TAC FLOWER 722501751 15OZ FLO VM								
22 inch SHELF in Notch 21														
<table border="1"> <tr> <td>0007373100415 MS SFT TACO 10CT 00415 17.5OZ MS4</td> <td>22</td> <td>0007874201889 GV SOFT TACO 8 2848 16OZ GVOM1</td> <td>23</td> <td>0007225001752 MLCA 10 EL BURRITO FLOWER 722501752 24OZ FLO VM</td> <td>24</td> <td></td> </tr> </table>						0007373100415 MS SFT TACO 10CT 00415 17.5OZ MS4	22	0007874201889 GV SOFT TACO 8 2848 16OZ GVOM1	23	0007225001752 MLCA 10 EL BURRITO FLOWER 722501752 24OZ FLO VM	24			
0007373100415 MS SFT TACO 10CT 00415 17.5OZ MS4	22	0007874201889 GV SOFT TACO 8 2848 16OZ GVOM1	23	0007225001752 MLCA 10 EL BURRITO FLOWER 722501752 24OZ FLO VM	24									
22 inch SHELF in Notch 11														
<table border="1"> <tr> <td>0007373100419 MS BURRITO TORT 8CT 00419 26OZ MS4</td> <td>25</td> <td>0007874201872 GV 10 BURRITO 10CT 2848 25OZ GVOM1</td> <td>26</td> <td colspan="2">REGIONAL SPACE</td> </tr> </table>						0007373100419 MS BURRITO TORT 8CT 00419 26OZ MS4	25	0007874201872 GV 10 BURRITO 10CT 2848 25OZ GVOM1	26	REGIONAL SPACE				
0007373100419 MS BURRITO TORT 8CT 00419 26OZ MS4	25	0007874201872 GV 10 BURRITO 10CT 2848 25OZ GVOM1	26	REGIONAL SPACE										
24 inch SHELF in Base														

REGIONAL BRANDS MAY INCLUDE: LUPITA(MSN), MI CASA, OLE, EL MAIZAL, LA DONA, VEROLE, SAN ANTONIO, TIA ROSA  
 REGIONAL BRANDS CONT'D: EL MILAGRO, CHARRAS, TUMARO'S, TORTILLERIA AMERICA  
 REGIONAL BRANDS CONT'D: CUERVITO MORADO, GREAT VALUE, TOÑITA

ALT UPC-GREAT VALUE FLOUR 8 CT 0007874201872, GREAT VALUE FLOUR 10 CT 0007874201889, GREAT VALUE 36 CT CORN 0007874201870

\*\*\* PLACE MODULAR SHELF LABELS LEFT JUSTIFIED \*\*\*\*\* SHADED ITEMS ARE NEW TO YOUR STORE \*\*\*

011101

Implement Week: 06/04/2007

WAL-MART STORES, INC. - CONFIDENTIAL

Print Date & Time: 5/30/2007 8:12 AM

Box 000133

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DEFENDANT'S  
EXHIBIT

ANEXA 24



DEPARTMENT: 081		CATEGORY: 0020 BUNS AND ROLLS			
SECTION: 170		STR 1101 16 FT BUN SECTION		STORE: 1101	
13	0007763302375 SUNBEAM LT WHT SAND FLOWER776302375 11 OZ FLO VM	14	0007225002315 NO 8 4 1/2 HWHT HB FLOWER722502315 15 OZ FLO VM	15	0004500011166 WON WG WHITE HAM INTRSC450011166 12 OZ IBC VM
22 inch SHELF in Notch 61					
16	0004500011105 WON STN WHEAT SAND BUN INTRSC450011105 21 OZ IBC VM	17	0007294561008 SL CRN QST KAISER EARTHG729461008 28 OZ EG VM	18	00073410117718 OC WHEAT HAM BUNS 11773 15 OZ BB4
22 inch SHELF in Notch 51					
19	0007225002399 COBST 6 WHL SUB ROLL FLOWER722502399 18 OZ FLO VM	20	0001220008010 MER HAMBURGER BUNS INTRSC122008010 12 OZ IBC VM	21	0001220008158 MER LITE SANDWICH BUN INTRSC122008158 12 OZ IBC VM
22 inch SHELF in Notch 41					
23	0007763306510 SB 12 4 SD CL FLOWER776306510 20 OZ FLO VM	24	0007225003729 COBST 6 CORN ML KAIS FLOWER722503729 24 OZ FLO VM	25	0004500011103 WON WHEAT HAMB BUNS INTRSC450011103 12 OZ IBC VM
22 inch SHELF in Notch 31					
26	0007763306331 SB 8 4 1/8 BUN PL FLOWER776306331 15 OZ FLO VM	27	0004130017658 JUMBO PLAIN BUN INTRSC413017658 21 OZ IBC VM	28	0004500011104 WON WHL GRN WHITE BUN INTRSC450011104 21 OZ IBC VM
22 inch SHELF in Notch 21					
29	0007763306331 SB 8 4 1/8 BUN PL FLOWER776306331 15 OZ FLO VM	30	0007225003723 COBST 6 STK SD SPL S FLOWER722503723 15 OZ FLO VM	31	0004130005636 MERITA HAMB. BUNS INTRSC413005636 11 OZ IBC VM
22 inch SHELF in Notch 11					
32	0007763306376 SB 8 6 HD HINGED BUN FLOWER776306376 11 OZ FLO VM	33	0001220006181 MER HOT DOG BUNS INTRSC122006181 12 OZ IBC VM	34	0004500011195 WON CLASSIC HD BUNS INTRSC450011195 12 OZ IBC VM
24 inch SHELF in Base					
35	0007763302377 SUNBEAM LT WHT HD BU FLOWER776302377 11 OZ FLO VM	36	0004500011165 WON WG WHITE HOT DOG INTRSC450011165 12 OZ IBC VM	37	0001220006009 MER HOT DOG BUNS INTRSC122006009 12 OZ IBC VM
38	0007763306376 SB 8 6 HD HINGED BUN FLOWER776306376 11 OZ FLO VM	39	0007763306376 SB 12 6 HD HINGED FLOWER776306376 18 OZ FLO VM	40	0004500011165 WON WG WHITE HOT DOG INTRSC450011165 12 OZ IBC VM

REGIONAL/SEASONAL SPACE MAY INCLUDE GEORGE WESTON BAKERIES AND/OR BMB FOODS AT THE STORE OR DEPT MANAGER'S DISCRETION  
THIS SPACE MAY ALSO BE USED DURING HOLIDAYS FOR SEASONAL ITEMS

\*\*\* PLACE MODULAR SHELF LABELS LEFT JUSTIFIED \*\*\*\*\* SHADED ITEMS ARE NEW TO YOUR STORE \*\*\*

011101

Implement Week: 06/04/2007

WAL-MART STORES, INC. - CONFIDENTIAL

Print Date & Time: 5/30/2007 6:13 AM

Bax 000134

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DEPARTMENT: 081		CATEGORY: 0020 BUNS AND ROLLS		STORE: 1101	
SECTION: 171		STR 1101 16 FT BUN SECTION			
22 inch SHELF in Notch 61					
0007341011774 DC WHITE HAM BUNS 11774 12OZ BB4	0007341011775 DC WHEAT HOTDOG BUNS 11775 14OZ BB4	0007341011776 DC WHITE HOTDOG BUNS 11776 12OZ BB4	0018379100006 NOF	0001410007098 PF ONION SAND BUNS 07098 15 OZ PF3	0001410007098 PF KASER ROLL WHITE 15.5OZ PF3
22 inch SHELF in Notch 51					
0007294575178 SL-HH WHEAT- HAM BUN EARTHG729475178 12OZ EG VM	0007294560146 SL-CLASSIC-WHITE- BN EARTHG729460146 21OZ EG VM	0007294575148 SL WH GRNW HAMB BUN EARTHG729475148 12OZ EG VM	0007294560198 SL-HH 100-VW HAM BN EARTHG729460198 21OZ EG VM	0001410007348 PF.ERMHSE COUNTRY WHE 7348 22OZ PF3	0001410007381 PF.ERMHSE HRTLY WHITE 7381 22OZ PF3
22 inch SHELF in Notch 41					
0005040025100 COL HAMB BUNS EARTHG50402510 12 OZ EG VM	0007294560147 SL-CLASSIC-WHEAT- BN EARTHG729460147 21OZ EG VM	0007294560199 SL-WHITE-SS-HAM- BUN EARTHG729460199 21OZ EG VM	0007294575177 SL-WHITE-HAM- BUN EARTHG729475177 12OZ EG VM	0001410007141 PF SOFT HOAGIE ROLL 07141 14.5OZ PF3	0001410007161 PF SNOWCH BUNS 07161 13OZ PF3
22 inch SHELF in Notch 31					
0005040025532 COL PARTY PACK BUNS EARTHG504025532 123 OZ EG VM			0005040026100 COL HOT DOG EARTHG504026100 12 OZ EG VM	0001410007187 PF HMBGR BUNS 07187 12.25Z PF3	0001410008786 PF 100-VW HAMB BUN 08786 12.25Z PF3
22 inch SHELF in Notch 21					
0004506011281 WON CLASSIC HAMB BUN INTRSC450011281 112OZ HBC VM	0007294578145 SL WGRNW HOT DOG BUN EARTHG729478145 12OZ EG VM	0007294578179 SL-HH-WHEAT-HD- BUN EARTHG729478179 12OZ EG VM	0001410008922 PF WG WHITE HAMBGR 08922 12.3OZ PF3	0001410008787 PF 100 VW HOTDOG 08787 14OZ PF3	
22 inch SHELF in Notch 11					
0005040026746 CONEY BUNS EARTHG504026746 26OZ EG VM			0001410007094 PF HOT DOG BUNS 07094 14OZ PF3	0001410008921 PF WG WHITE HOTDOG 08921 14OZ PF3	
REGIONAL/SEASONAL SPACE					
24 inch SHELF in Base					

REGIONAL/SEASONAL SPACE MAY INCLUDE GEORGE WESTON BAKERIES AND/OR BMB FOODS AT THE STORE OR DEPT MANAGER'S DISCRETION  
THIS SPACE MAY ALSO BE USED DURING HOLIDAYS FOR SEASONAL ITEMS

\*\*\* PLACE MODULAR SHELF LABELS LEFT JUSTIFIED \*\*\*\*\* SHADED ITEMS ARE NEW TO YOUR STORE \*\*\*

011101		
Implement Week: 06/04/2007	WAL-MART STORES, INC. - CONFIDENTIAL	Print Date & Time: 5/30/2007 6:13 AM
CONFIDENTIAL		

Box 000135

DEPARTMENT: 081		CATEGORY: 020		BUNS AND ROLLS		STR 1101 16 FT BUN SECTION		STORE: 1101	
SECTION: 0168		SECTION: 0168		SECTION: 0168		SECTION: 0168		SECTION: 0168	
ITEM	QTY	UNIT	PRICE	DESCRIPTION	ITEM	QTY	UNIT	PRICE	DESCRIPTION
171	42	00183791	00006	NO 8 4 1/2 HWHT HB	FLOWER72502315	150Z	FLO VM	07	1
170	14	00072250	02315	SUNBEAM LT WHT SAND	FLOWER76302375	11 OZ	FLO VM	07	2
169	13	00077633	02375	SUNBEAM LT WHT HD BU	FLOWER76302377	11 OZ	FLO VM	07	1
170	35	00077633	02377	COBST 6 WHI SUB ROLL	FLOWER72502399	180Z	FLO VM	07	1
170	19	00072250	02388	COBST 6 WHE SUB ROLL	FLOWER72502400	180Z	FLO VM	07	1
170	20	00072250	02400	COBST 6 STK SD SPL S	FLOWER72503723	150Z	FLO VM	07	1
170	28	00072250	03723	COBST 8 CORN ML KAIS	FLOWER72503729	240Z	FLO VM	07	1
170	24	00072250	03729	MERITA HAMB BUNS	INTRSC413005636	110Z	IBC VM	07	1
170	30	00041300	05636	MER HOT DOG BUNS	INTRSC122006009	120Z	IBC VM	07	2
170	38	00012200	06009	MER HAMBURGER BUNS	INTRSC122006010	120Z	IBC VM	07	2
170	21	00012200	06010	MER LITE SANDWICH BUN	INTRSC122006158	12 OZ	IBC VM	07	1
170	22	00012200	06158	MER HOT DOG BUNS	INTRSC122006161	12 OZ	IBC VM	07	2
170	32	00012200	06161	SB 8 4 1/8 BUN PL	FLOWER776306331	150Z	FLO VM	07	4
169	11	00077633	06331	SB 8 4 1/2 INDPL	FLOWER776306333	200Z	FLO VM	07	3
169	10	00077633	06333	SB 8 6 HD HINGED BUN	FLOWER776306376	110Z	FLO VM	07	5
169	31	00077633	06376	SB 8 6 HD HINGED BUN	FLOWER776306376	110Z	FLO VM	07	2
169	34	00077633	06376	SB 12 4 SD CL	FLOWER776306510	200Z	FLO VM	07	5
169	23	00077633	06510	SB 12 3 3/4 PL CL	FLOWER776306573	200Z	FLO VM	07	2
169	9	00077633	06573	SB 12 6 IND HD	FLOWER776306576	180Z	FLO VM	07	1
170	36	00077633	06576	PF HOT DOG BUNS	07094	140Z	PF3	07	1
171	68	00014100	07094	PF ONION SAND BUNS	07098	15 OZ	PF3	07	1
171	43	00014100	07098	PF SOFT HOAGIE ROLL	07141	1430Z	PF3	07	1
171	56	00014100	07141	PF SNOWCH BUNS	07161	130Z	PF3	07	1
171	57	00014100	07161	PF FMBGR BUNS	07187	1225Z	PF3	07	1
171	60	00014100	07187	PF FRMSE CUNTRY WHE	7348	220Z	PF3	07	1
171	50	00014100	07348	PF FRMSE HRTY WHITE	7381	220Z	PF3	07	1
171	51	00014100	07381	PF KAISER ROLL WHITE	08573	1650Z	PF3	07	1
171	44	00014100	08573	PF KAISER ROLL WHEAT	08574	1650Z	PF3	07	1
171	45	00014100	08574	PF 100 WW HAMB BUN	08786	1225Z	PF3	07	1
171	81	00014100	08786	PF 100 WW HOTDOG	08787	140Z	PF3	07	1
171	86	00014100	08787	PF WG WHITE HOTDOG	08921	140Z	PF3	07	1
171	88	00014100	08921	PF WG WHITE HAMBGR	08922	1230Z	PF3	07	1
171	65	00014100	08922	WON WHEAT HAMB BUNS	INTRSC450011103	120Z	IBC VM	07	2
170	25	00045000	11103	WON WHLGRN WHITE BUN	INTRSC450011104	210Z	IBC VM	07	1
170	28	00045000	11104	WON STN WHEAT SANDBUN	INTRSC450011105	210Z	IBC VM	07	1
170	16	00045000	11105	WON WG WHITE HOT DOG	INTRSC450011185	120Z	IBC VM	07	1
170	37	00045000	11165	WON WG WHITE HAM	INTRSC450011188	120Z	IBC VM	07	1
170	15	00045000	11166	WON CLASSIC HD BUNS	INTRSC450011195	120Z	IBC VM	07	1
170	33	00045000	11195	WON CLASSIC HAMB BUN	INTRSC450011281	120Z	IBC VM	07	1
171	62	00045000	11281	DC WHEAT HAM BUNS	11773	150Z	BB4	07	1
170	18	00073410	11773	DC WHEAT HAM BUNS	11774	120Z	BB4	07	1
171	38	00073410	11774	DC WHEAT HOTDOG BUNS	11775	140Z	BB4	07	1
171	40	00073410	11775	DC WHITE HOTDOG BUNS	11776	120Z	BB4	07	1
171	41	00073410	11776	JUMBO PLAIN BUN	INTRSC413017658	210Z	IBC VM	07	1
170	27	00041300	17658	GV JUMBO HAMB BUNS	FLOWER787422813	200Z	FLO VM	07	3
169	8	00078742	22813	COL HAMB BUNS	EARTHGS04025100	12 OZ	EG VM	07	1
171	52	00050400	25100	COL PARTY PACK BUNS	EARTHGS04025532	23 OZ	EG VM	07	3
171	58	00050400	25532	COL HOT DOG	EARTHGS04026180	12 OZ	EG VM	07	1
171	59	00050400	26100	CONEY BUNS	EARTHGS04028746	260Z	EG VM	07	4
170	67	00050400	26746	GV HOT DOG BUNS	FLOWER787428550	120Z	FLO VM	07	1
168	5	00078742	28550						

CONFIDENTIAL

Box 000136

PARTMENT: 081  
SECTION: 0168  
CATEGORY: 20 BUNS AND ROLLS  
STR 1101 16 FT BUN SECTION

STORE: 1101

168	6	00078742	28550	GV HOT DOG BUNS	FLOWER787428550	12OZ	FLO VM	07	10	1	60
168	7	00078742	28550	GV HOT DOG BUNS	FLOWER787428550	12OZ	FLO VM	07	11	1	66
168	1	00078742	28551	GV HAMB BUNS	FLOWER787428551	12OZ	FLO VM	07	7	1	28
168	2	00078742	28551	GV HAMB BUNS	FLOWER787428551	12OZ	FLO VM	07	11	1	44
168	3	00078742	28551	GV HAMB BUNS	FLOWER787428551	12OZ	FLO VM	07	11	1	44
168	4	00078742	28551	GV HAMB BUNS	FLOWER787428551	12OZ	FLO VM	07	11	1	44
171	47	00072945	60146	SL CLASSIC WHITE BN	EARTHG7294560146	21OZ	EG VM	07	1	1	6
171	53	00072945	60147	SL CLASSIC WHEAT BN	EARTHG7294560147	21OZ	EG VM	07	1	1	6
171	49	00072945	60198	SL HH 100 WW HAM BN	EARTHG7294560198	21OZ	EG VM	07	1	1	9
171	54	00072945	60199	SL WHITE SS HAM BUN	EARTHG7294560199	21OZ	EG VM	07	1	1	9
170	17	00072945	61008	SL CRN DST KAISER	EARTHG7294561008	26OZ	EG VM	07	1	1	4
171	55	00072945	75177	SL WHITE HAM BUN	EARTHG7294575177	12OZ	EG VM	07	1	1	9
170	46	00072945	75178	SL HH WHEAT HAM BUN	EARTHG7294575178	12OZ	EG VM	07	1	1	9
171	63	00072945	76145	SL WGRNW HOT DOG BUN	EARTHG729476145	12OZ	EG VM	07	2	1	12
171	48	00072945	76146	SL WHLGRNW HAMB BUN	EARTHG729476146	12OZ	EG VM	07	1	1	6
171	64	00072945	76178	SL HH WHEAT HD BUN	EARTHG729476178	12OZ	EG VM	07	1	1	9
169	12	00072250	91545	NO HNYWHET HD ROLLS8	FLOWER722591545	11OZ	FLO VM	07	1	1	9

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Bax 000137

Implement Week: 05/04/2007

WAL-MART STORES, INC. - CONFIDENTIAL

Print Date &amp; Time: 5/30/2007 6:13 AM

DEPARTMENT: 081

SECTION: 0063

CATEGORY: 0030 TORTILLAS

STR 1101 4 FT TORTILLA SECTION

STORE: 1101

SECTION	POS	ITEM	UPC	LST	NAME	MANUFACTURER	WM SIZE	WM COLOR	IS	STOCK	WHOLESALE	WHOLESALE	WHOLESALE
63	4	00048564	00020	00020	GUER TOSTADA AMARIL	MS4	14OZ	MS4	07	1	1	1	3
63	15	00027331	00023	00023	LB 8 LOW CARB 18CT	OLE1	12.8OZ	OLE1	07	1	1	1	34
63	20	00027331	00032	00032	LB 6 FAMILY PACK 20CT	OLE1	22.5OZ	OLE1	07	1	1	1	9
63	16	00027331	00033	00033	LB 8 SOFT TACO 10CT	OLE1	16OZ	OLE1	07	1	1	1	34
63	17	00027331	00036	00036	LB 10 SPR BURRITO 10CT	OLE1	25OZ	OLE1	07	2	1	1	88
63	3	00027331	00070	00070	LB 6 WHITE CRN 90CT	OLE1	82.5OZ	OLE1	07	2	1	1	8
63	9	00027331	00098	00098	LB 8 FAT FREE 10CT	OLE1	13OZ	OLE1	07	1	1	1	24
63	8	00027331	00123	00123	LP WHITE CORN TORT	MS4	25 OZ	MS4	07	1	1	1	12
63	1	00027331	00126	00126	LP WHITE CORN TORT	MS4	71 OZ	MS4	07	2	1	1	8
63	10	00027331	00240	00240	MS MULTI-GRN SFT TAC	MS4	17.5OZ	MS4	07	2	1	1	36
63	14	00027331	00285	00285	MS JALAPENO CHEDDAR	MS4	15OZ	MS4	07	1	1	1	22
63	22	00027331	00415	00415	MS SFT TACO 10CT	MS4	17.5OZ	MS4	07	2	1	1	48
63	25	00027331	00419	00419	MS BURRITO TORT 8CT	MS4	20 OZ	MS4	07	1	1	1	30
63	11	00027331	00425	00425	MS FF SFT TACO TORT	MS4	17.5OZ	MS4	07	1	1	1	22
63	13	00025147	00451	00451	TOMATO BASIL TORT	MS4	12.7OZ	MS4	20	1	6	22	22
63	19	00027331	00483	00483	MS WHEAT TORTILLAS	MS4	17.5OZ	MS4	07	1	1	1	20
63	12	00025147	00485	00485	LOW CARB MULTI-GRAIN	MS4	13.7OZ	MS4	07	1	1	1	4
63	5	00027331	00760	00760	MS TOSTADA CASERA	MS4	14OZ	MS4	07	1	1	1	24
63	18	00027331	00830	00830	MS FAJITA FLR TORT	MS4	23OZ	MS4	07	2	1	1	18
63	6	00027331	01004	01004	LB 6 NATURA CORN 36CT	OLE1	27OZ	OLE1	07	3	1	1	32
63	21	00072250	01751	01751	MI CA 10 CT 8 S TAC	FLO VM	15OZ	FLO VM	07	2	1	1	32
63	24	00072250	01752	01752	MI CA 10 FL BURRITO	FLO VM	24OZ	FLO VM	07	2	1	1	32
63	7	00078742	01870	01870	GV 6 CORN TORT 30CT	GVOM1	27.5OZ	GVOM1	07	2	1	1	18
63	26	00078742	01872	01872	GV 10 BURRITO 10CT	GVOM1	25OZ	GVOM1	07	1	1	1	30
63	23	00078742	01889	01889	GV SOFT TACO 8	GVOM1	16OZ	GVOM1	07	1	1	1	24
63	2	00078742	05841	05841	GV 6 JUMBO CORN 90CT	GVOM1	82.5OZ	GVOM1	07	2	1	1	8

Implement Week: 05/04/2007

WAL-MART STORES, INC. - CONFIDENTIAL

Print Date &amp; Time: 5/30/2007 6:12 AM

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Box 000138



<b>DEPARTMENT: 081</b>	<b>CATEGORY: 0030 TORTILLAS</b>	
<b>SECTION: 0063</b>	<b>STR 1101 4 FT TORTILLA SECTION COVERLETTER</b>	<b>STORE: 1101</b>

DEPARTMENT 81 COMMERCIAL BREAD FLOW CHART  
COMING OFF THE MEAT AISLE AND MOVING TOWARDS ACTION ALLEY

BUNS & ROLLS  
TORTILLAS  
BREAKFAST  
HARD VARIETY  
DIET & HEALTH  
WHITE/WHEAT BREAD

THIS IS A MODULAR UPDATE TO OUR UPC BASED MODULARS. EACH SPOT ON THE SHELF WILL HAVE A UPC FOR AN ITEM THAT SHOULD BE PLACED IN THAT LOCATION AS SHOWN ON THE MODULAR. ALL SUPPLIERS ARE EXPECTED TO FOLLOW THIS NEW MODULAR. THE BAKERY MANAGER NEEDS TO COMMUNICATE THE INITIAL ITEM POSITIONS TO EACH SUPPLIER AND THEN MONITOR THE SECTION TO ENSURE INTEGRITY IS MAINTAINED.

THERE IS A REGIONAL SPACE TEXT BOX ON SOME OF THE MODULARS. ONLY WAL-MART MANAGEMENT SHOULD DECIDE WHICH REGIONAL SUPPLIERS ARE PLACED IN THIS AREA. PLEASE SEE THE BOTTOM OF YOUR MODULAR FOR A LIST OF SUGGESTED SUPPLIERS IN YOUR AREA. KEEP LIKE ITEMS WITHIN EACH CATEGORY. (BAGELS IN BREAKFAST SECTION, CORN TORTILLAS TOGETHER, FLOUR TORTILLAS TOGETHER, ETC.)

WE HAVE SEVERAL WAREHOUSE PROGRAMS. CHECK YOUR MODULAR AND ORDER GUIDE FOR THE ITEMS VALID FOR YOUR STORE. THESE DC PROGRAMS ALLOW US TO GAIN A HIGHER PROFIT SO YOUR SUPPORT IS NEEDED TO MAKE THESE PROGRAMS SUCCESSFUL. A BAKERY ASSOCIATE SHOULD STOCK AND ZONE THE SECTION AT LEAST TWICE A DAY. PRODUCT MAY BE RECEIVED DRY, REFRIGERATED OR FROZEN DEPENDING ON THE ITEM. IF FROZEN, BE SURE TO COMPLETELY THAW THEN DATE THE PRODUCT WITH THE CORRECT NUMBER OF DAYS USING THE TELXON. BE SURE TO CHECK THE BACKROOMS FOR INVENTORY TO HELP KEEP MARKDOWNS LOW.

THANK YOU FOR YOUR PART IN MAKING THIS TRANSITION SUCCESSFUL!

IF YOU HAVE ANY ISSUES PLEASE CALL ONE OF THE FOLLOWING NUMBERS:

UPC HOTLINE: 479-273-8999  
POS HOTLINE: 479-273-8149  
FIXTURE HOTLINE: 479-204-5151  
MODULAR HOTLINE: 479-273-4060

Implement Week: 06/04/2007

WAL-MART STORES, INC. - CONFIDENTIAL

Print Date & Time: 5/20/2007 6:12 AM

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Bax 000139

<b>DEPARTMENT: 081</b>	<b>CATEGORY: 0020 BUNS AND ROLLS</b>	
<b>SECTION: 0168</b>	<b>STR 1101 16 FT BUN SECTION COVERLETTER</b>	<b>STORE: 1101</b>

DEPARTMENT 81 COMMERCIAL BREAD FLOW CHART  
COMING OFF THE MEAT AISLE AND MOVING TOWARDS ACTION ALLEY

BUNS & ROLLS  
TORTILLAS  
BREAKFAST  
HARD VARIETY  
DIET & HEALTH  
WHITE/WHEAT BREAD

THIS IS A MODULAR UPDATE TO OUR UPC BASED MODULARS. EACH SPOT ON THE SHELF WILL HAVE A UPC FOR AN ITEM THAT SHOULD BE PLACED IN THAT LOCATION AS SHOWN ON THE MODULAR. ALL SUPPLIERS ARE EXPECTED TO FOLLOW THIS NEW MODULAR. THE BAKERY MANAGER NEEDS TO COMMUNICATE THE INITIAL ITEM POSITIONS TO EACH SUPPLIER AND THEN MONITOR THE SECTION TO ENSURE INTEGRITY IS MAINTAINED.

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THANK YOU FOR YOUR PART IN MAKING THIS TRANSITION SUCCESSFUL!

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POS HOTLINE: 479-273-8149  
FIXTURE HOTLINE: 479-204-5151  
MODULAR HOTLINE: 479-273-4060

Implement Week: 06/04/2007

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Print Date & Time: 5/30/2007 6:13 AM

Bax 000140

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<b>DEPARTMENT: 081</b>		<b>CATEGORY: 0020 BUNS AND ROLLS</b>				
<b>SECTION: 168</b>		<b>STR 1101 16 FT BUN SECTION</b>				<b>STORE: 1101</b>

0007874228551 GV HAMB BUNS FLOWER787428551 12 OZ FLO VM						
22 inch SHELF in Notch 61						
0007874228551 GV HAMB BUNS FLOWER787428551 12 OZ FLO VM						
22 inch SHELF in Notch 51						
0007874228551 GV HAMB BUNS FLOWER787428551 12 OZ FLO VM						
22 inch SHELF in Notch 41						
0007874228551 GV HAMB BUNS FLOWER787428551 12 OZ FLO VM						
22 inch SHELF in Notch 31						
0007874228550 GV HOT DOG BUNS FLOWER787428550 12 OZ FLO VM						
22 inch SHELF in Notch 21						
0007874228550 GV HOT DOG BUNS FLOWER787428550 12 OZ FLO VM						
22 inch SHELF in Notch 11						
0007874228550 GV HOT DOG BUNS FLOWER787428550 12 OZ FLO VM						
24 inch SHELF in Base						

4 ft

REGIONAL/SEASONAL SPACE MAY INCLUDE GEORGE WESTON BAKERIES AND/OR BMB FOODS AT THE STORE OR DEPT MANAGER'S DISCRETION  
THIS SPACE MAY ALSO BE USED DURING HOLIDAYS FOR SEASONAL ITEMS

\*\*\* PLACE MODULAR SHELF LABELS, LEFT JUSTIFIED \*\*\*\*\* SHADED ITEMS ARE NEW TO YOUR STORE \*\*\*

011101	011101	
Implement Week: 05/04/2007	WAL-MART STORES, INC. - CONFIDENTIAL	Print Date & Time: 5/30/2007 6:13 AM
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<b>DEPARTMENT: 081</b>		<b>CATEGORY: 0020 BUNS AND ROLLS</b>	
<b>SECTION: 169</b>		<b>STR 1101 16 FT BUN SECTION</b>	
		<b>STORE: 1101</b>	

0007874228551 GV HAMB BUNS FLOWER787428551 12 OZ FLO VM	0007874222913 GV JUMBO HAMB BUNS FLOWER787422913 20 OZ FLO VM	0007763306573 SB 12 3 3/4 PL CL FLOWER776306573 20 OZ FLO VM	0007763302375 SUNBEAM LT WHF SAND FLOWER776302375 11 OZ FLO VM
22 inch SHELF in Notch 61			
0007874228551 GV HAMB BUNS FLOWER787428551 12 OZ FLO VM		0007763306333 SB 8 4 1/2 INDPL FLOWER776306333 20 OZ FLO VM	
22 inch SHELF in Notch 51			
0007874228551 GV HAMB BUNS FLOWER787428551 12 OZ FLO VM		0007763306510 SB 12 4 SD CL FLOWER776306510 20 OZ FLO VM	
22 inch SHELF in Notch 41			
0007874228551 GV HAMB BUNS FLOWER787428551 12 OZ FLO VM		0007763306331 SB 8 4 1/8 BUN PL FLOWER776306331 15 OZ FLO VM	
22 inch SHELF in Notch 31			
0007874228550 GV HOT DOG BUNS FLOWER787428550 12 OZ FLO VM		0007763306331 SB 8 4 1/8 BUN PL FLOWER776306331 15 OZ FLO VM	
22 inch SHELF in Notch 21			
0007874228550 GV HOT DOG BUNS FLOWER787428550 12 OZ FLO VM		0007763306376 SB 8 6 HD HINGED BUN FLOWER776306376 11 OZ FLO VM	
22 inch SHELF in Notch 11			
0007874228550 GV HOT DOG BUNS FLOWER787428550 12 OZ FLO VM		0007225091545 NO HNYWHET HD ROLLS FLOWER72259154 5 11 OZ FLO VM	
24 inch SHELF in Base			

REGIONAL/SEASONAL SPACE MAY INCLUDE GEORGE WESTON BAKERIES AND/OR BMB FOODS AT THE STORE OR DEPT MANAGER'S DISCRETION  
THIS SPACE MAY ALSO BE USED DURING HOLIDAYS FOR SEASONAL ITEMS

\*\*\* PLACE MODULAR SHELF LABELS LEFT JUSTIFIED \*\*\*\*\* SHADED ITEMS ARE NEW TO YOUR STORE \*\*\*

011101	WAL-MART STORES, INC. - CONFIDENTIAL	Print Date & Time: 5/30/2007 8:13 AM
Implement Week: 06/04/2007		Box 000142

CONFIDENTIAL

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF ALABAMA

CHARLES MORROW, MICHAEL	)	
OVERTON, JAMES MARTY SMITH,	)	
DWAYNE CLEVELAND, MICHAEL SMITH,	)	
MARK MURPHY, DOUG BRANCH, LEW	)	
BAXTER, RICKY SMALL, MELVIN SNOW,	)	
GREG PATISAUL and GARY CHAMBLISS,	)	
Individually and on behalf of similarly	)	
situated employees,	)	
	)	
Plaintiffs,	)	CIVIL ACTION NO.:
	)	3:07-CV-617-MHT
v.	)	
	)	
FLOWERS FOODS, INC., FLOWERS	)	
BAKING CO., OF OPELIKA, LLC, and	)	
FLOWERS BAKING CO. OF	)	
THOMASVILLE, LLC,	)	
	)	
Defendants.	)	

**PLAINTIFF RICKY SMALL'S VERIFIED RESPONSES TO  
DEFENDANTS' FIRST INTERROGATORIES**

COMES NOW the Plaintiff, Ricky Small, by and through his undersigned counsel, and hereby submits his objections and responses to Defendants' First Interrogatories to Plaintiff, as follows:

**PRELIMINARY STATEMENT**

Plaintiff reserves the right to modify, amend, or supplement these objections and responses at a later date. Plaintiff's responses are made without in any way waiving, but, on the contrary, expressly reserving: (1) the right to question or object to the authenticity, foundation, relevancy, materiality, privilege and admissibility of the information produced in response to the Interrogatories in any subsequent proceeding in, or the trial of, this action; (2) the right to object to the introduction of these responses and objections

into evidence in this action; and (3) the right to object on any ground at any time to other discovery involving the subject matter of the Interrogatories, or Plaintiff's responses and objections to the Interrogatories or the information produced in response to the Interrogatories.

Plaintiff remains available to meet and confer about the Interrogatories and their responses and objections thereto.

### **GENERAL OBJECTIONS**

1. Plaintiff objects to each and every Interrogatory to the extent the request seeks information and/or the production of documents, which are subject to the attorney-client or other applicable privileges and accordingly entitled to protection. Nothing contained in these objections is intended as, or shall in any way be deemed, a waiver of such privilege or protection, or any other applicable privilege or doctrine.

2. Plaintiff objects to each and every Interrogatory to the extent the request seeks the information and/or production of documents which are attorney work product. Nothing contained in these objections is intended as, or shall in any way be deemed, a waiver of such privilege or protection, or any other applicable privilege or doctrine.

3. Plaintiff objects to each and every Interrogatory to the extent that the request purports to impose requirements upon Plaintiff beyond those authorized by the Federal Rules of Civil Procedure.

4. Plaintiff objects to each and every Interrogatory to the extent the request calls for Plaintiff to produce information and/or documents that are not reasonably calculated to lead to the discovery of admissible evidence.

5. Plaintiff objects to each and every Interrogatory to the extent the request calls for the production of information and/or documents that are not relevant to any of the issues and matters raised in the complaint.

6. Plaintiff objects to each and every Interrogatory to the extent the request calls for the production of information and/or documents that are outside the scope of discovery allowed.

7. Plaintiff objects to each and every Interrogatory to the extent the request is unduly burdensome and requires Plaintiff to go to extraordinary measures to produce said information and/or documents in violation of the Federal Rules of Civil Procedure.

8. Plaintiff objects to each and every Interrogatory to the extent the request calls for the creation of documents that are not now in existence.

9. Plaintiff objects to the Interrogatories to the extent the requests are vague, overbroad, and not limited in time and scope.

10. Plaintiff objects to the Interrogatories to the extent the requests, including all subparts exceed forty (40), the number which was agreed to by the parties in the Rule 26 Report.

11. The fact that Plaintiff has objected to any Interrogatory, or part thereof, should not be taken as an admission that the Interrogatory or the objection thereto constitutes admissible evidence.

12. The failure to object on a particular ground of grounds shall not be construed as a waiver of Plaintiff's right to objection on any additional ground(s). In addition to the general objections above, set forth below are Plaintiff's specific objections

to the Interrogatories. By setting forth specific objections, Plaintiff does not intend to limit, restrict, or waive the general objections set forth above.

**INTERROGATORIES**

1. Please state your full name, including middle name, and all nicknames or aliases by which you have been known.

**ANSWER:**

**Ricky Antonio Small**

2. Please list the full address of all residences at which you have lived from July 2, 2004, to the present, specifying the dates you lived at each address.

**ANSWER:**

**Birth to Present**

3. Identify the following information concerning all employment and/or self-employment you held prior to, or contemporaneously with, your independent distributor relationship with FBC of Opelika:

- (a) the name, address, and phone number of each employer and/or self-employment arrangement;
- (b) the dates of each period of employment and/or self-employment; and
- (c) The reason for leaving each employer and/or self-employment arrangement.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as being overbroad and not limited in time and scope. Subject to and without waiving the objection, Plaintiff responds as follows:

- (a)

(2)

(b)

(1) 1989 to 1998

(2) 1985 to 1989

(c)

(1) I took another job.

(2) I took another job.

4. Identify the following information concerning all employment and/or self-employment you have held since your independent distributor relationship with FBC of Opelika ceased:

(a) The name, address, and phone number of each employer and/or self-employment arrangement;

(b) The dates of each period of employment and/or self-employment; and

(c) The reason for leaving any such employer and/or self-employment arrangement.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as being unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the objection, Plaintiff responds as follows:

1.

(a)

I do not know the location of the headquarters in  
My job was in

(b) 2005

(c) The job ended.

2.

(a)

(b) 2005 to 2006

(b) I took another job.

3.

(a)

(b) 2006 to 2007

(c) I took another job.

4.

(a)

The job is currently in

(b) 2007 to Present

(c) Not Applicable.

5. Identify each person with knowledge, or who you believe has knowledge, of the facts alleged in your complaint, giving the count number(s) and paragraph(s) of which each person has knowledge, or you believe has knowledge.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as being overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Plaintiff also objects to this Interrogatory as being premature. Discovery has yet to commence in this action and therefore any response is based on information in plaintiff's possession at the

time the complaint was drafted. Finally, Defendant already has within its possession all of the information sought by this request. Subject to and without waiving these objections, Plaintiff responds as follows:

Grady Messer, Fred Jeffco, Billie Reed, and Don Atkins all have knowledge of all of the facts alleged in my complaint.

6. Identify each person, other than your attorneys, with whom you have discussed the alleged unlawful acts and alleged damages set forth in your Complaint.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it is vague, overly broad, and not limited in time. Subject to and without waiving this objection, Plaintiff responds as follows:

I have not discussed any facts concerning this case with anyone other than my attorney.

7. Please state each item and amount of damages that you claim and an explanation of how you computed each item of damages, including any mathematical formula used.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is subject to protection under the attorney-client privilege or attorney work product doctrine. Plaintiff further objects to this Interrogatory as being premature as discovery has yet to commence and Defendants have not yet produced any documents or data. Plaintiff does not yet have sufficient information to complete an accurate calculation of damages. Subject to and without waiving this objection, Plaintiff is seeking overtime pay plus interest, attorney fees and costs of litigation. Plaintiff reserves the right to supplement this response as discovery proceeds and as the Court's Scheduling Order permits.

8. Please identify each document pertaining to each item of damages stated in your response to Interrogatory No. 7 above.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is subject to protection under the attorney-client privilege or attorney work product doctrine. Plaintiff further objects to this Interrogatory as being premature as discovery has yet to commence and Defendants have not yet produced any documents or data. Plaintiff does not yet have sufficient information to complete an accurate calculation of damages. Subject to and without waiving this objection, Plaintiff is seeking overtime pay plus interest,



**attorney fees and costs of litigation. Plaintiff reserves the right to supplement this response as discovery proceeds and as the Court's Scheduling Order permits.**

9. From July 2, 2004, until you ceased being a distributor for FBC of Opelika, identify all individuals who assisted you in operating your distributorship with FBC of Opelika, including the date(s) each such individual(s) assisted you.

**ANSWER: In addition to the general objections, Plaintiff objects to this Interrogatory as being overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff responds as follows:**

**No person has assisted me in operating my distributorship.**

10. Identify all persons providing information used to respond to these Interrogatories and/or FBC of Opelika's First Request for Production of Documents and/or all persons assisting in the development of the responses to these Interrogatories and/or FBC of Opelika's First Request for Production of Documents.

**ANSWER: In addition to the general objections, Plaintiff objects to this Interrogatory as being premature as discovery has not yet commenced. In addition, Plaintiff objects to this Interrogatory to the extent it seeks information protected by attorney-client privilege or attorney work product doctrine. Subject to and without waiving this objection, Plaintiff responds as follows:**

**No person assisted me in responding to discovery.**

11. Have you ever pleaded guilty or no contest/*nolo contendere* to, or been convicted of, any misdemeanor or any felony? If your answer is anything other than an unqualified "no," then state for each such offense, for which you have either been convicted or plead guilty, the following information:

- (a) Nature of the offense;
- (b) Date;
- (c) Court, county, and state in which the matter was pending; and

- (d) The disposition or sentence you were given.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as the information it seeks is overly broad, unduly burdensome, not relevant and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff responds as follows:

**No. I have never plead guilty or no contest to, or been convicted of, a misdemeanor or felony.**

12. Have you ever been a party to, or witness in, any lawsuit or litigation? If you answer is anything other than an unqualified "no," then state for each case in which you were involved the following information:

- (a) The title and nature of the action and a brief description of your role or part in it;
- (b) The names and addresses of the court and the case number;
- (c) The names and addresses of all parties;
- (d) The date the action was initiated;
- (e) The nature of the allegations; and
- (f) the verdict, judgment, or other outcome of the case.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as seeking information protected by the attorney-client privilege and the attorney work-product doctrine. Plaintiff also objects to this Interrogatory as the information it seeks is overly broad, unduly burdensome, not relevant and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff will respond with information relating to any employment litigation he has been involved in.

**No. I have never been a party to, or witness in, any lawsuit or litigation.**

13. If you, or your attorneys, paralegals, or other representatives or agents ever took or received any statement, either orally or in writing, from any person who had any information or knowledge relevant to the alleged unlawful acts or alleged damages

set forth in your Complaint, identify each such person who provided a statement, provide the date of each statement, describe the substance of each statement, and identify the current custodian or custodians of such statement(s).

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is subject to attorney-client privilege or attorney work product doctrine. Plaintiff further objects to this Interrogatory as the information it seeks is privileged, not relevant, and not reasonably calculated to lead to discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff responds as follows:

No statements have been taken to my knowledge, information or belief.

14. Identify all email addresses and hosting website addresses you have had and/or used for the period of July 2, 2004, to date, by providing: the e-mail address and the website address, the internet service provider for each address, the name under which the account was opened and maintained, the time period the account was open and used, and the account number for each account.

**ANSWER:** In addition to the general objections, Plaintiff objects to this interrogatory to the extent it seeks information that is not relevant or reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff will respond with any email sites used for his employment with Flowers:

None.

15. Identify all electronic communications devices you have had and/or used for the period July 2, 2004, to date, including the current location of each device. For all electronic devices no longer in your possession, provide the manner in which you disposed of each device and the date on which you disposed of each device.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is not relevant or reasonably calculated to lead to the discovery of admissible evidence. Subject to and without

**waiving this objection, Plaintiff will provide the requested information for any communication devices used for his employment with Flowers:**

**Since July 2, 2004, I have had a cellular phone. It is no longer in my possession. I also had a pager, which has since been disconnected and returned to the service provider.**

16. Since July 2, 2004, have you subscribed to or participated in any Internet newsgroup(s) or chat group(s) wherein any of the allegations on this action were discussed or otherwise communicated. If so, list all users and the services you subscribed to and/or participated in.

**ANSWER: In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is subject to the attorney-client privilege or the attorney work product doctrine. Subject to and without waiving this objection, Plaintiff responds as follows:**

**No.**

17. Identify all accountant(s) and/or other persons, from July 2, 2004, until you ceased being a distributor for FBC of Opelika, who have assisted you with your books, financial statements, and/or tax returns, including address and phone number.

**ANSWER: In addition to the general objections, Plaintiff objects to this Interrogatory for being overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving that objection, Plaintiff will produce information relating to any accountant(s) and/or other persons that assisted him with any accounting related to his employment at Flowers.**

18. From July 2, 2004, until you ceased being a distributor for FBC of Opelika, identify all case accounts you have serviced, including address, phone number, and principal contact at such account.

**ANSWER: Objection. Plaintiff objects to this Interrogatory as it is vague, overly broad, and the information sought is equally available to Defendants. Indeed, Defendants already have within their possession all of the information sought by this request. Without waiver of this objection, the case accounts I have serviced are:**

- (1) Real Pit BBQ**

**Contact: I do not recall**

- (2) Country Store  
I do not recall the address or phone number.**

**Contact: I do not recall.**

- (3) Amoco**

**Contact: I do not recall.**

- (4) McBride Hilltop Chevron**

**Contact: Jesse (I do not know full name)**

- (5) Dairy Dream**

**Contact: I do not recall.**

- (6) Kozy Korner Café**

**Contact: I do not recall.**

19. From July 2, 2004, until you ceased being a distributor for FBC of Opelika, identify all charge accounts you have serviced, including address, phone number, and principal contact at such account.

**ANSWER:** Objection. Plaintiff objects to this Interrogatory as it is vague, overly broad, and the information sought is equally available to Defendants. Indeed, Defendants already have within their possession all of the information sought by this request. Without waiver of this objection, the charge accounts I have serviced are:

- (1) Winn-Dixie

Contact: I do not recall.

- (2) Bates Texaco

Contact: I do not recall.

- (3) Bates House of Turkey, Inc.

Contact: I do not recall.

- (4) Wal-Mart

Contact: I do not recall.

- (5) Super Foods Grocery

Contact: I do not recall.

- (6) Tom Thumb  
I do not recall the address or phone number.

Contact: I do not recall.

- (7) Piggly Wiggly

Contact: I do not recall.

**(8) Super Foods**

**Contact: I do not recall.**

**(9) Big Bear**

**I do not recall the address or phone number.**

**Contact: I do not recall.**

**(10) Dollar General**

**Contact: I do not recall.**

**(11) Dollar General**

**Contact: I do not recall.**

20. From July 2, 2004, until you ceased being a distributor for FBC of Opelika, identify all delivery vehicle(s) you utilized in servicing your territory, including year, make, and model.

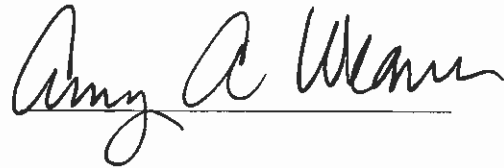
**ANSWER:**

**(1) 1986 Chevy Silverado**

**(2) 1987 Ford LTD**

**(3) 1992 Chevy Lumina**

**(4) 1992 Chevy Step-van**

A handwritten signature in black ink, reading "Amy A. Weaver". The signature is written in a cursive style and is positioned above a horizontal line.

**OF COUNSEL:**

THE LAW OFFICES OF GREG L. DAVIS  
6987 Halcyon Park Drive  
Montgomery, Alabama 36117  
334-832-9080  
[gldavis@knology.net](mailto:gldavis@knology.net)

WHATLEY DRAKE & KALLAS, LLC  
2001 Park Place North, Suite 1000  
Birmingham, Alabama 35203  
205-328-9576  
Joe R. Whatley, Jr. (ASB-1222-Y69J)  
[jwhatley@wdklaw.com](mailto:jwhatley@wdklaw.com)  
Amy A. Weaver (ASB-6878-Y82A)  
[aweaver@wdklaw.com](mailto:aweaver@wdklaw.com)

WHATLEY DRAKE & KALLAS, LLC  
1540 Broadway, 37<sup>th</sup> Floor  
New York, New York, 10036  
212-447-7007  
Joseph P. Guglielmo  
[jguglielmo@wdklaw.com](mailto:jguglielmo@wdklaw.com)

WOOD LAW FIRM, LLC  
2900 1<sup>st</sup> Avenue South, Suite A  
Birmingham, Alabama 35233  
205-612-0243  
E. Kirk Wood (ASB-2937-W55E)  
[ekirkwood1@cs.com](mailto:ekirkwood1@cs.com)



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UNIVERSITY HEIGHTS

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**OATH**

I swear and affirm that the answers to the interrogatories contained herein are true, complete and accurate to the best of my knowledge. I also understand it is my duty to promptly notify my attorney should I later learn that any of the answers are incomplete, inaccurate, or misleading.

*Riley Small*

Sworn to and subscribed before me this 16<sup>th</sup> day of January  
2008 ~~2007~~, a Notary Public in and for Montgomery County, State of Alabama

Notary Public

*Jana N. All*

My Commission Expires: 08/10/09

**CERTIFICATE OF SERVICE**

I hereby certify that on January 21, 2008, a copy of the foregoing was served on the following counsel via email and U.S. Mail:

Sandra B. Reiss  
Christopher W. Deering  
Ogletree, Deakins, Nash, Smoak, & Stewart, P.C.  
One Federal Place, Suite 1000  
1819 Fifth Avenue North  
Birmingham, Alabama 35203-2118  
205-328-1900  
[Sandra.Reiss@odnss.com](mailto:Sandra.Reiss@odnss.com)  
[Chris.Deering@odnss.com](mailto:Chris.Deering@odnss.com)

Kevin P. Hishta  
David H. Grigereit  
Ogletree, Deakins, Nash, Smoak & Stewart, P.C.  
600 Peachtree Street, NE  
Suite 2100  
Atlanta, Georgia 30308  
404-881-1300  
[Kevin.Hishta@ogletreedeakins.com](mailto:Kevin.Hishta@ogletreedeakins.com)  
[David.Grigereit@ogletreedeakins.com](mailto:David.Grigereit@ogletreedeakins.com)

  
OF COUNSEL

## **EXHIBIT H**

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into evidence in this action; and (3) the right to object on any ground at any time to other discovery involving the subject matter of the Interrogatories, or Plaintiff's responses and objections to the Interrogatories or the information produced in response to the Interrogatories.

Plaintiff remains available to meet and confer about the Interrogatories and their responses and objections thereto.

### **GENERAL OBJECTIONS**

1. Plaintiff objects to each and every Interrogatory to the extent the request seeks information and/or the production of documents, which are subject to the attorney-client or other applicable privileges and accordingly entitled to protection. Nothing contained in these objections is intended as, or shall in any way be deemed, a waiver of such privilege or protection, or any other applicable privilege or doctrine.

2. Plaintiff objects to each and every Interrogatory to the extent the request seeks the information and/or production of documents which are attorney work product. Nothing contained in these objections is intended as, or shall in any way be deemed, a waiver of such privilege or protection, or any other applicable privilege or doctrine.

3. Plaintiff objects to each and every Interrogatory to the extent that the request purports to impose requirements upon Plaintiff beyond those authorized by the Federal Rules of Civil Procedure.

4. Plaintiff objects to each and every Interrogatory to the extent the request calls for Plaintiff to produce information and/or documents that are not reasonably calculated to lead to the discovery of admissible evidence.

5. Plaintiff objects to each and every Interrogatory to the extent the request calls for the production of information and/or documents that are not relevant to any of the issues and matters raised in plaintiff's complaint.

6. Plaintiff objects to each and every Interrogatory to the extent the request calls for the production of information and/or documents that are outside the scope of discovery allowed.

7. Plaintiff objects to each and every Interrogatory to the extent the request is unduly burdensome and requires Plaintiff to go to extraordinary measures to produce said information and/or documents in violation.

8. Plaintiff objects to each and every Interrogatory to the extent the request calls for the creation of documents that are not now in existence.

9. Plaintiff objects to the Interrogatories to the extent the requests are vague, overbroad, and not limited in time and scope.

10. Plaintiff objects to the Interrogatories to the extent the requests number over forty (40), the number which was agreed to in the Rule 26 Report.

11. The fact that Plaintiff has objected to any Interrogatory, or part thereof, should not be taken as an admission that the Interrogatory or the objection thereto constitutes admissible evidence.

12. The failure to object on a particular ground of grounds shall not be construed as a waiver of Plaintiff's right to objection on any additional ground(s). In addition to the general objections above, set forth below are Plaintiff's specific objections to the Interrogatories. By setting forth specific objections, Plaintiff does not intend to limit, restrict, or waive the general objections set forth above.

**INTERROGATORIES**

1. Please state your full name, including middle name, and all nicknames or aliases by which you have been known.

**ANSWER:**

**Kerry Mark Murphy**

2. Please list the full address of all residences at which you have lived from July 2, 2004, to the present, specifying the dates you lived at each address.

**ANSWER:**

**1990 to 2004**

**2004 to Present**

3. Identify the following information concerning all employment and/or self-employment you held prior to, or contemporaneously with, your independent distributor relationship with FBC of Opelika:

- (a) the name, address, and phone number of each employer and/or self-employment arrangement;
- (b) the dates of each period of employment and/or self-employment; and
- (c) The reason for leaving each employer and/or self-employment arrangement.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as being overly broad, and not limited in time and scope. Subject to and without waiving this objection, Plaintiff responds as follows:

- (a)
  - (1)

(2)

(b)

(1) 1995 to 2001

(2) 2001 to 2002

(c)

(1) I needed a job with more pay.

(2) I took another job.

4. Identify each person with knowledge, or who you believe has knowledge, of the facts alleged in your complaint, giving the count number(s) and paragraph(s) of which each person has knowledge, or you believe has knowledge.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as being overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. Plaintiff also objects to this Interrogatory as being premature. Discovery has yet to commence in this action and therefore any response is based on information in plaintiff's possession at the time the complaint was drafted. Additionally, Defendant already has within its possession all of the information sought by this request. Subject to and without waiving these objections, Plaintiff responds as follows:

**David Earl has extensive knowledge of all the facts alleged in the complaint.**

5. Identify each person, other than your attorneys, with whom you have discussed the alleged unlawful acts and alleged damages set forth in your Complaint.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as being vague, overly broad, and not limited in time. Subject to and without waiving this objection, Plaintiff responds as follows:

**I have not discussed any facts concerning this case with anyone other than my attorney.**



6. Please state each item and amount of damages that you claim and an explanation of how you computed each item of damages, including any mathematical formula used.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is subject to protection under the attorney-client privilege or attorney work product doctrine. Plaintiff further objects to this Interrogatory as being premature as discovery has yet to commence and Defendants have not yet produced any documents or data. Plaintiff does not yet have sufficient information to complete an accurate calculation of damages. Subject to and without waiving this objection, Plaintiff is seeking overtime pay plus interest, attorney fees and costs of litigation. Plaintiff reserves the right to supplement this response as discovery proceeds and as the Court's Scheduling Order permits.

7. Please identify each document pertaining to each item of damages stated in your response to Interrogatory No. 6 above.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is subject to protection under the attorney-client privilege or attorney work product doctrine. Plaintiff further objects to this Interrogatory as being premature as discovery has yet to commence and Defendants have not yet produced any documents or data. Plaintiff does not yet have sufficient information to complete an accurate calculation of damages. Subject to and without waiving this objection, Plaintiff is seeking overtime pay plus interest, attorney fees and costs of litigation. Plaintiff reserves the right to supplement this response as discovery proceeds and as the Court's Scheduling Order permits.

8. From July 2, 2004, to date, identify all individuals who assisted you in operating your distributorship with FBC of Opelika, including the date(s) each such individual(s) assisted you.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as being overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff responds as follows:

David Earl, Terry Prather, and a man named Logan, whose full name I do not recall, have all assisted me with my distributorship with FBC of Opelika at some

point in time, when I was either sick or on vacation. I am unable to recall the dates that I was assisted by these individuals in operating my distributorship.

9. Identify all persons providing information used to respond to these Interrogatories and/or FBC of Opelika's First Request for Production of Documents and/or all persons assisting in the development of the responses to these Interrogatories and/or FBC of Opelika's First Request for Production of Documents.

**ANSWER:** In addition to the general objections, Plaintiff objects tot his Interrogatory as being premature as discovery has not yet commenced. In addition, Plaintiff objects to this Interrogatory to the extent it seeks information protected by attorney-client privilege or attorney work product doctrine. Subject to and without waiving these objections, Plaintiff responds as follows:

No person assisted me in responding to discovery.

10. Have you ever pleaded guilty or no contest/*nolo contendere* to, or been convicted of, any misdemeanor or any felony? If you answer is anything other than an unqualified "no," then state for each such offense, for which you have either been convicted or plead guilty, the following information:

- (a) Nature of the offense;
- (b) Date;
- (c) Court, county, and state in which the matter was pending; and
- (d) The disposition or sentence you were given.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as the information it seeks is overly broad, unduly burdensome, not relevant and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff responds as follows:

No. I have not plead guilty or no contest to, or been convicted of any misdemeanor or felony.

11. Have you ever been a party to, or witness in, any lawsuit or litigation? If you answer is anything other than an unqualified "no," then state for each case in which you were involved the following information:

- (a) The title and nature of the action and a brief description of your role or part in it;
- (b) The names and addresses of the court and the case number;
- (c) The names and addresses of all parties;
- (d) The date the action was initiated;
- (e) The nature of the allegations; and
- (f) the verdict, judgment, or other outcome of the case.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory as the information it seeks is overly broad, unduly burdensome, not relevant and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff responds as follows:

**No. I have not ever been a party to or witness in any lawsuit or litigation.**

12. If you, or your attorneys, paralegals, or other representatives or agents ever took or received any statement, either orally or in writing, from any person who had any information or knowledge relevant to the alleged unlawful acts or alleged damages set forth in your Complaint, identify each such person who provided a statement, provide the date of each statement, describe the substance of each statement, and identify the current custodian or custodians of such statement(s).

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is subject to attorney-client privilege or attorney work product doctrine. Plaintiff further objects to this Interrogatory as the information it seeks is privileged, not relevant, and not reasonably calculated to lead to discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff responds as follows:

**No statements have been taken to my knowledge, information or belief.**

13. Identify all email addresses and hosting website addresses you have had and/or used for the period of July 2, 2004, to date, by providing: the e-mail address and the website address, the internet service provider for each address, the name under which the account was opened and maintained, the time period the account was open and used, and the account number for each account.

**ANSWER: In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is not relevant or reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff responds as follows:**

**None.**

14. Identify all electronic communications devices you have had and/or used for the period July 2, 2004, to date, including the current location of each device. For all electronic devices no longer in your possession, provide the manner in which you disposed of each device and the date on which you disposed of each device.

**ANSWER: In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is not relevant or reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff will provide the requested information for any communication devices used for his employment with Flowers.**

**I had a cellular phone for the period of July 2, 2004 to the present. The cellular phone remains in my possession.**

15. Since July 2, 2004, have you subscribed to or participated in any Internet newsgroup(s) or chat group(s) wherein any of the allegations on this action were discussed or otherwise communicated. If so, list all users and the services you subscribed to and/or participated in.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory to the extent it seeks information that is subject to the attorney-client privilege or the attorney work product doctrine. Subject to and without waiving this objection, Plaintiff responds as follows:

None.

16. Identify all accountant(s) and/or other persons, from July 2, 2004, to date, who have assisted you with your books, financial statements, and/or tax returns, including address and phone number.

**ANSWER:** In addition to the general objections, Plaintiff objects to this Interrogatory for being overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, Plaintiff will produce information relating to any accountant(s) and/or other persons that assisted him with any accounting related to his employment with Flowers.

17. From July 2, 2004, to date, identify all cash accounts you have serviced, including address, phone number, and principal contact at such account.

**ANSWER:** Plaintiff objects to this Interrogatory as it is vague, overly broad, and the information sought is equally available to Defendants. Indeed, Defendants already have within their possession all of the information sought by this request. Without waiver of this objection, the cash accounts I have serviced are:

(1) Shell Food Mart

(I do not recall his full name)

(2) A & E Lakeside Petro

Contact: (I do not recall his full name)

**(3) Billy's Country Store**

**Contact:**

**(4) Estes Grocery**

**Contact:**

**(5) D J Bait & Tackle**

**Contact: Larry (I do not know his full name)**

**(6) Biscuit Stop**

**Contact: (I do not know her full name)**

**(7) Family Kountry Korner**

**Contact: I do not recall.**

**(8) West Point Trading Co.**

**Contact: I do not recall.**

**(9) Chevron Food Mart**

**Contact: I do not recall.**

**(10) Chalk It Up Billiards**

**Contact: (I do not know his full name)**

**(11) Pony Express**

**Contact: I do not recall.**

**(12) Granger Corner**

**Contact: I do not recall.**

18. From July 2, 2004, to date, identify all charge accounts you have serviced, including address, phone number, and principal contact at such account.

**ANSWER: Plaintiff objects to this Interrogatory as it is vague, overly broad, and the information sought is equally available to the Defendants. Indeed, Defendants already have within their possession all of the information sought by this request. Without waiver of this objection, the charge accounts I have serviced are:**

**(1) Five Star Food Service**

**Contact:**

**(2) Kimberly Clark**

**Contact: (I do not recall her full name)**

**(3) Parmer Brothers Grocery Store**

**Contact:**

**(4) Monev Back**

**Contact: I do not recall.**

**(5) Money Back**

**Contact:**

**(6) CVS**

**Contact: I do not recall.**

**(7) Piggly Wiggly**

**Contact:**

**(8) Burger King**

**Contact:**

**(9) Dollar General**

**Contact: (I do not recall his full name)**

**(10) Pathways Center**

**Contact:**

19. From July 2, 2004, to date, identify all delivery vehicle(s) you utilized in servicing your territory, including year, make, and model.

**ANSWER:**



- (1) 1995 Isuzu Box Truck
- (2) 2001 Ford F-150
- (3) 1999 Dodge Durango
- (4) 2001 Nissan Maxima



**OF COUNSEL:**

THE LAW OFFICES OF GREG L. DAVIS  
6987 Halcyon Park Drive  
Montgomery, Alabama 36117  
334-832-9080  
[gldavis@knology.net](mailto:gldavis@knology.net)

WHATLEY DRAKE & KALLAS, LLC  
2001 Park Place North, Suite 1000  
Birmingham, Alabama 35203  
205-328-9576  
Joe R. Whatley, Jr. (ASB-1222-Y69J)  
[jwhatley@wdklaw.com](mailto:jwhatley@wdklaw.com)  
Amy A. Weaver (ASB-6878-Y82A)  
[aweaver@wdklaw.com](mailto:aweaver@wdklaw.com)

WHATLEY DRAKE & KALLAS, LLC  
1540 Broadway, 37<sup>th</sup> Floor  
New York, New York, 10036  
212-447-7007  
Joseph P. Guglielmo  
[jguglielmo@wdklaw.com](mailto:jguglielmo@wdklaw.com)

WOOD LAW FIRM, LLC  
2900 1<sup>st</sup> Avenue South, Suite A  
Birmingham, Alabama 35233  
205-612-0243  
E. Kirk Wood (ASB-2937-W55E)  
[ekirkwood1@cs.com](mailto:ekirkwood1@cs.com)

**OATH**

I swear and affirm that the answers to the interrogatories contained herein are true, complete and accurate to the best of my knowledge. I also understand it is my duty to promptly notify my attorney should I later learn that any of the answers are incomplete, inaccurate, or misleading.

Kerry Mark Murphy

Sworn to and subscribed before me this 24 day of January  
2008, a Notary Public in and for Jefferson County, State of Alabama

Notary Public Katherine Eggett  
My Commission Expires: Oct. 12, 2011

NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: Oct 12, 2011  
BONDED THRU NOTARY PUBLIC ASSOCIATION

**CERTIFICATE OF SERVICE**

I hereby certify that on January 21, 2008, a copy of the foregoing was served on the following counsel via email and U.S. Mail:

Sandra B. Reiss  
Christopher W. Deering  
Ogletree, Deakins, Nash, Smoak, & Stewart, P.C.  
One Federal Place, Suite 1000  
1819 Fifth Avenue North  
Birmingham, Alabama 35203-2118  
205-328-1900  
[Sandra.Reiss@odnss.com](mailto:Sandra.Reiss@odnss.com)  
[Chris.Deering@odnss.com](mailto:Chris.Deering@odnss.com)

Kevin P. Hishta  
David H. Grigereit  
Ogletree, Deakins, Nash, Smoak & Stewart, P.C.  
600 Peachtree Street, NE  
Suite 2100  
Atlanta, Georgia 30308  
404-881-1300  
[Kevin.Hishta@ogletreedeakins.com](mailto:Kevin.Hishta@ogletreedeakins.com)  
[David.Grigereit@ogletreedeakins.com](mailto:David.Grigereit@ogletreedeakins.com)

  
OF COUNSEL